



Certified Public Accountants

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

BASIC FINANCIAL STATEMENTS

Year Ended June 30, 2019

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INDEPENDENT AUDITORS' REPORT

Board of Education
Topeka Public Schools
Unified School District No. 501:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Topeka Public Schools, Unified School District No. 501 (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable provisions of the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary schedules listed in the accompanying table of contents, including the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary schedules listed in the accompanying table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules listed in the accompanying table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

BT&Co., P.A.

March 11, 2020
Topeka, Kansas

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) section of the Topeka Public Schools, Unified School District No. 501 (the District) financial report represents our examination of the District's financial performance during the year. The MD&A is intended to assist the reader in gaining understanding of how the various statements relate to each other and provide an objective and easily readable analysis of the District's financial activities, based on currently known facts, decisions and conditions.

USING THIS GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) BASED REPORT

The District's financial statement package for the fiscal year ended June 30, 2019 is comprised of the Independent Auditors' Report, this Management's Discussion and Analysis (MD&A) (Unaudited), the Basic Financial Statements (Audited), required supplementary information and supplementary information. These financial statements include all the accounts for which the District is considered to be financially responsible. The MD&A is intended to serve as an introduction to the District's basic financial statements.

THE BASIC FINANCIAL STATEMENTS CONSIST OF THE FOLLOWING:

- District Wide Financial Statements
- Fund Financial Statements
- Fiduciary Financial Statements

DISTRICT WIDE FINANCIAL STATEMENTS:

The District-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business. These statements take a much larger view of the District's finances than do the fund-level statements.

The Statement of Net Position presents information on all of the District's assets, liabilities, and deferred inflows and outflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the last fiscal year.

The District-wide financial statements are presented using the economic resources measurement focus, which emphasizes the determination of net income and expense on the accrual basis of accounting, as are the accompanying proprietary fund statements. Revenues are recognized when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Proprietary funds or business-type activities distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing operations. The principal operating revenues of the District's proprietary funds are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

As a general rule, the effect of inter-fund activity has been eliminated from the District-wide financial statements. Exceptions to this rule are charges between the District's governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

TOPEKA PUBLIC SCHOOLS, UNIFIED SCHOOL DISTRICT NO. 501 NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets						
Current assets						
Cash and investments	\$ 67,434,207	\$ 87,272,771	\$ 4,474,323	\$ 6,064,185	\$ 71,908,530	\$ 93,336,956
Other	16,409,997	9,138,430	340,549	335,294	16,750,546	9,473,724
Total current assets	<u>83,844,204</u>	<u>96,411,201</u>	<u>4,814,872</u>	<u>6,399,479</u>	<u>88,659,076</u>	<u>102,810,680</u>
Noncurrent assets						
Capital assets net	223,236,805	210,449,586	1,105,822	782,055	224,342,627	211,231,641
Other noncurrent assets	-	-	-	-	-	-
Total noncurrent assets	<u>223,236,805</u>	<u>210,449,586</u>	<u>1,105,822</u>	<u>782,055</u>	<u>224,342,627</u>	<u>211,231,641</u>
Total assets	<u>307,081,009</u>	<u>306,860,787</u>	<u>5,920,694</u>	<u>7,181,534</u>	<u>313,001,703</u>	<u>314,042,321</u>
Deferred outflows of resources						
Deferred outflows - OPEB	1,320,944	1,003,582	-	-	1,320,944	1,003,582
Deferred outflows - pension	20,239,173	30,882,559	-	-	20,239,173	30,882,559
Total deferred outflows of resources	<u>21,560,117</u>	<u>31,886,141</u>	<u>-</u>	<u>-</u>	<u>21,560,117</u>	<u>31,886,141</u>
Liabilities						
Current liabilities						
Accounts payable and accrued liabilities	10,134,123	9,596,160	263,779	414,094	10,397,902	10,010,254
Accrued interest payable	2,400,228	2,422,681	-	-	2,400,228	2,422,681
General obligation bonds payable, current	2,555,000	2,505,000	-	-	2,555,000	2,505,000
Other current liabilities	10,263,769	9,691,930	46,907	72,708	10,310,676	9,764,638
Total current liabilities	<u>25,353,120</u>	<u>24,215,771</u>	<u>310,686</u>	<u>486,802</u>	<u>25,663,806</u>	<u>24,702,573</u>
Noncurrent liabilities						
General obligation bonds payable, net	155,206,874	157,862,979	-	-	155,206,874	157,862,979
Accrued compensated absences	1,430,790	1,500,095	-	-	1,430,790	1,500,095
Net pension liability	143,320,910	149,798,454	-	-	143,320,910	149,798,454
Post employment benefits payable	42,375,895	42,137,343	-	-	42,375,895	42,137,343
Total noncurrent liabilities	<u>342,334,469</u>	<u>351,298,871</u>	<u>-</u>	<u>-</u>	<u>342,334,469</u>	<u>351,298,871</u>
Total liabilities	<u>367,687,589</u>	<u>375,514,642</u>	<u>310,686</u>	<u>486,802</u>	<u>367,998,275</u>	<u>376,001,444</u>
Deferred inflows of resources						
Deferred inflows - OPEB	794,048	780,328	-	-	794,048	780,328
Deferred inflows - pension	10,649,352	11,314,724	-	-	10,649,352	11,314,724
Total deferred inflows of resources	<u>11,443,400</u>	<u>12,095,052</u>	<u>-</u>	<u>-</u>	<u>11,443,400</u>	<u>12,095,052</u>
Net Position						
Net investment in capital assets	76,678,920	74,035,571	1,105,822	782,055	77,784,742	74,817,626
Restricted for						
Debt Service	13,911,159	13,561,013	-	-	13,911,159	13,561,013
Other	2,654,951	3,126,223	-	-	2,654,951	3,126,223
Unrestricted	(143,734,893)	(139,585,573)	4,504,186	5,912,677	(139,230,707)	(133,672,896)
Total net position	<u>\$ (50,489,863)</u>	<u>\$ (48,862,766)</u>	<u>\$ 5,610,008</u>	<u>\$ 6,694,732</u>	<u>\$ (44,879,855)</u>	<u>\$ (42,168,034)</u>

TOPEKA PUBLIC SCHOOLS, UNIFIED SCHOOL DISTRICT NO. 501 STATEMENT OF ACTIVITIES

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues						
Charge for services	\$ 1,293,639	\$ 1,548,439	\$ 1,247,710	\$ 2,091,018	\$ 2,541,349	\$ 3,639,457
Federal grants	19,266,082	18,666,008	6,862,065	7,201,831	26,128,147	25,867,839
Other grants and contributions	7,481,949	13,137,452	-	11,079	7,481,949	13,148,531
General revenues						
Property taxes	21,315,028	21,051,911	-	-	21,315,028	21,051,911
State aid	127,617,659	123,783,546	74,659	77,546	127,692,318	123,861,092
Other revenue from local sources	2,043,625	1,068,148	-	-	2,043,625	1,068,148
Interest and investment earnings	1,446,187	871,987	49,864	17,405	1,496,051	889,392
Gain on sales of capital assets	897,082	59,636	-	-	897,082	59,636
Total revenues	<u>181,361,251</u>	<u>180,187,127</u>	<u>8,234,298</u>	<u>9,398,879</u>	<u>189,595,549</u>	<u>189,586,006</u>
Expenses						
Instruction	105,343,051	106,308,336	-	-	105,343,051	106,308,336
Instructional support	4,572,781	6,261,782	-	-	4,572,781	6,261,782
Student support	19,250,558	22,136,054	-	-	19,250,558	22,136,054
General administration	2,499,582	7,361,971	-	-	2,499,582	7,361,971
School administration	10,947,732	9,467,328	-	-	10,947,732	9,467,328
Business support	4,152,346	7,167,762	-	-	4,152,346	7,167,762
Plant and maintenance	15,820,760	3,735,299	-	-	15,820,760	3,735,299
Transportation	6,062,782	5,067,800	-	-	6,062,782	5,067,800
Central support services	7,243,936	7,000,870	-	-	7,243,936	7,000,870
Other support	192,269	214,430	-	-	192,269	214,430
Student activities	700,360	491,543	-	-	700,360	491,543
Interest on long term debt	5,735,344	5,854,106	-	-	5,735,344	5,854,106
Textbook/study material	-	-	918,000	1,279,196	918,000	1,279,196
Food service	-	-	8,747,250	8,256,991	8,747,250	8,256,991
Other business-type activities	-	-	120,619	928,562	120,619	928,562
Total expense	<u>182,521,501</u>	<u>181,067,281</u>	<u>9,785,869</u>	<u>10,464,749</u>	<u>192,307,370</u>	<u>191,532,030</u>
Increase (decrease) in net position before transfers	(1,160,250)	(880,154)	(1,551,571)	(1,065,870)	(2,711,821)	(1,946,024)
Transfers	(466,847)	(3,125,403)	466,847	3,125,403	-	-
Change in net position	<u>(1,627,097)</u>	<u>(4,005,557)</u>	<u>(1,084,724)</u>	<u>2,059,533</u>	<u>(2,711,821)</u>	<u>(1,946,024)</u>
Net position, beginning	(48,862,766)	(15,386,619)	6,694,732	4,635,199	(42,168,034)	(10,751,420)
Prior period adjustment	-	(29,470,590)	-	-	-	(29,470,590)
Net position, beginning of year restated	<u>(48,862,866)</u>	<u>(44,857,209)</u>	<u>6,694,732</u>	<u>4,635,199</u>	<u>42,168,034</u>	<u>(40,222,010)</u>
Net position, ending	<u>\$ (50,489,863)</u>	<u>\$ (48,862,766)</u>	<u>\$ 5,610,008</u>	<u>\$ 6,694,732</u>	<u>\$ (44,879,855)</u>	<u>\$ (42,168,034)</u>

FUND FINANCIAL STATEMENTS

Governmental fund financial statements provide more detailed information about the District's most significant funds—not the District as a whole. A fund is an accounting device and considered to be a separate accounting entity, and is used to keep track of specific sources of funding and spending for a particular purpose. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Funds are used to ensure and demonstrate compliance with financial related legal requirements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, operating statements present increases and decreases in assets and fund balance as a measure of available spendable resources. This means only current liabilities are generally included on their balance sheets. Under the modified accrual basis, revenues are recognized as soon as they are both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred as under accrual accounting; however, debt service expenditures as well as expenditures related to compensated absences are recorded only when payment is due.

District’s Major Governmental Funds:

1. General Fund – Used to account for the general operations of the District and all unrestricted revenues and expenditures not required to be accounted for in other funds. Includes K-12 At-Risk Fund previously reported separately.
2. Special Education Fund – Used to account for the revenues and expenditures related to the education and services for District’s special needs programs.
3. Capital Outlay – Used to account for revenues that are primarily utilized for the acquisition, construction, repair, and remodeling of the District’s buildings and facilities.
4. USDE Pass Through Fund – Used to account for the revenues and expenditures related to federal grant programs funded by the United States Department of Education.
5. Bond Fund – Used to account for the bond proceeds that are primarily utilized for the constructing, renovating, improving, furnishing, and equipping certain new and existing district educational facilities and storm shelter facilities, acquiring and installing new security system and lighting equipment improvements in the district’s school buildings and other facilities, and acquiring and installing certain technology enhancements throughout the District and its facilities.
6. Bond and Interest Fund – Used to account for resources accumulated and payments made for principal and interest on long-term debt.

SUPPLEMENTAL FINANCIAL SCHEDULES:

Kansas statutes require that each year the District must provide overseeing state agencies with an audited set of financial statements. Thus, the data presented in the District-wide and Fund financial statements is converted to the budget basis of accounting and provided as supplemental schedules.

Each individual school maintains its activity funds to handle funds raised and expended by its various student groups. These funds are held and controlled by the District for the purpose for which they were raised. Separate supplemental financial statements covering these funds are included in the packet of financial statements.

A separate schedule on federal grants received by the District is also included to assist those outside the District in monitoring the proper handling of grants awarded to the District.

FINANCIAL STATEMENTS ANALYSIS:

As noted earlier, over time net position may serve as a useful indicator of a governmental organization's financial position. At the close of the most recent fiscal year the District's governmental liabilities exceeded assets by (\$50,489,863); business type assets exceeded liabilities by \$5,610,008 during this period. For the two types of activities combined, the District's total net position was (\$44,879,855), which exceeds last year's total net position of (\$42,168,034). The negative net position again is primarily due to our recording of the Kansas Public Employees Retirement System (KPERs) net pension noncurrent liability of \$143,320,910. Also influencing the FY-2019 net position is the latest GASB Statement No. 75, which requires state and local employers to also report their portion of the state's postemployment benefits (i.e. death and disability) as a noncurrent liability. This totaled \$42,375,895 for FY-2019, an increase of \$238,552 from 2018. District employees are covered under the KPERs plan and the state of Kansas makes all employer pension contributions on behalf of the district.

The noncurrent portion of the District's total assets, net of depreciation, reflects its investment in capital assets (e.g., land, buildings and equipment) less any related debt used to acquire those assets that is still outstanding and accumulated depreciation (71.7% in FY-19 compared to 67.3% in FY-18). The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate liabilities.

1. The District's total assets (net of depreciation) decreased slightly by (\$1,040,618) during fiscal year 2019. Accumulated depreciation in Governmental Activities for 2019 is \$134,417,183 compared to \$127,163,354 for 2018, a 5.7% increase.
2. The District's non-current liabilities decreased by \$8,964,402 (2.6%) during the year ended June 30, 2019. General Obligation (GO) Bonds payable, Net pension liability and Accrued compensated absences experienced decreases in 2019 (combined decrease of \$9,202,954, or 3%). The Post-employment benefits payable liability, district portion of state KPERs death and disability insurance, increased slightly by \$238,552.
3. Total liabilities decreased by \$8,003,169 during the year ended June 30, 2019 for reasons noted in #2 above (decrease in GO Bonds payable, Net pension liability and non-current Accrued compensated absences).
4. Combined current and non-current accrued compensated absences (sick pay and vacation) increased (3.1%) from \$2,618,415 in 2018 to \$2,699,074 at year ended June 30, 2019.
5. The District's Total-Liabilities for 2019 was approximately 1.18 times Total-Assets compared with 1.20 for FY-18. The recording of the KPERs Net pension liability remains an important factor impacting this ratio. Removing the \$143,320,910 KPERs liability brings the Total-Debt to Total-Assets ratio down to 72%.

6. The District's Bonded-Debt on June 30, 2019 was approximately 69.2% of Capital Assets (FY-2018 was 74.7%). The District's improved Bonded-Debt to Capital Assets ratio is reflective of building remodels and additions being completed and realized as Capital Assets. The District Moody's credit profile, updated September 25, 2019, is Aa3 negative for General Obligation bond debt. The Moody's rating(s) for the City of Topeka and State of Kansas respectively are Aa3 and Aa2 stable. Moody's Aa rated debt obligations are judged to be of high quality and subject to very low credit risk.
7. The Statement of Activities provides further insight to the District's 2019 net position. The District's total revenues were relatively flat, \$189,595,549 FY-19 from FY-18's \$189,586,006. Revenues from State aid and Federal grants were \$4,091,534 (2.73%) higher in 2019 versus 2018. The District experienced a small increase in total expenses of \$775,340 to \$192,307,370. The above activities resulted in larger negative Net Position before transfers of (\$2,711,821) for FY-2019, compared to FY-2018 negative Net Position before transfers of (\$1,946,024).
8. The Statement of Activities also reflects a stable picture in revenue from property tax collections: \$21,315,028 for FY-2019 versus 2018 collections of \$21,051,911. The small increase is attributable to a slight increase in total mill levy rate of .052 for FY-2019 to 50.754 versus FY-2018 of 50.702. The districts LOB mill rate increased 1.129 mills to 17.738 for FY-2019. Capital Outlay, Special Liability and Bond/Interest all decreased by (1.077 mills).
9. The District's Current Ratio was 3.45 in 2019 compared to 4.16 in 2018. The Year-end Bond cash balance of \$11,708,045 continues to bolster the strong Current Ratio. Backing out the FY-2019 Bond Fund balance, the District's Current Ratio remains strong at 3.00 (compared to FY-2018 of 3.13). The current ratio is a measure of an entity's ability to meet current obligations on time and to have funds readily available for current and upcoming operations.
10. Another ratio similar to the current ratio is the "quick ratio". This ratio is similar to the current ratio but focuses more on cash and cash equivalents for the satisfaction of maturing debt. The District's Quick Ratio was 2.80 in 2019 compared to 3.78 in 2018. Backing out the Bond Fund cash balance, the District's Quick Ratio remains strong at 2.35. The ratio indicates the District has adequate cash or cash equivalents (not inventory) in excess of the amount needed to pay its currently maturing liabilities.

Fund Financial Statement Analysis

1. General: General Fund (State Code 06) Final FY-2019 Legal Max budget authority was \$98,749,653 (includes weighted state and Special Education aid and excludes KPERS State Aid of \$6,975,264). Comparable FY-2018 Legal Max General Fund budget authority was \$96,794,581. The increase in Legal Max General Fund budget authority for 2019 was largely due to increased district Special Education state aid (up \$1,563,306). The following is the District's audited "Full Time Equivalent" (F.T.E.) student enrollment numbers for the past three years (excluding weightings, 4-Yr. Old At-Risk and Virtual students); FY-2019 was 12,730.1, FY-2018 was 12,976.9, FY-2017 was 13,252.

The District adopted GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* for FY-2011. This adoption resulted in the following funds being combined with the General Fund on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances: Supplemental General, Professional Development, Summer School, Pepsi Exclusivity, Internal Service Reserve, Sports Park Operations, Payroll Liability Clearing, Self-Insurance Reserve, Risk Management, and the Contingency Reserve. Because of further school funding law changes, the At-Risk, Bilingual and Vocational Education Funds are also combined and reported in the General Fund (Balance Sheet Governmental Funds) as opposed to be listed as Special Revenue Funds. General Fund combining schedules are included at the end of the financial statements.

Supplemental General Fund: In 2006, the Kansas Legislature increased the maximum level of budget authority in school districts' Supplemental General or Local Option Budget (LOB) Funds from 27% of the General Fund to 31% of the General Fund. Again, in 2014, legislation raised the allowable maximum to 33%. The District was able to pass a Resolution authorizing its LOB up to the 33% max. The District's Supplemental General Fund adopted authority increased to 32.6% for FY-2019 compared to 31.6% in FY-2018. The District's Legal Max Budget Authority for FY-2019 was \$34,704,953 compared to \$33,600,000 in FY-2018. Total expenditures and transfers were \$34,704,953 for FY-2019, up from FY-2018 of \$33,600,000. State aid for the Supplemental General Fund was \$21,506,659 for FY-2019 and the district received \$19,666,330 of LOB state aid FY-2018.

2. K-12 AT-RISK Fund: Rules governing K-12 At-Risk dollars allow for carrying over unused funds from one fiscal year to another, the unused budget authority is allowed to remain in the fund for use in subsequent years. The districts K-12 At-Risk fund balance was \$3,711,558 at the end of fiscal year 2019. This amount of carryover was down (\$650,474 or 14.9%) from fiscal year 2018's carryover balance of \$4,632,032.
3. USDE Pass Through Fund: This fund was created to account for federal grants from USDE. Most of our federal grants operate on a reimbursement of expenditures method. This fund normally has a zero fund balance at the end of the fiscal year as grant revenue equals grant expenditures.
4. Special Education Fund: The State of Kansas increased funding for Special Education services for Fiscal Year 2011 and future years. Even with the state aid increase, per the budget document, the District transferred \$19,535,113 (\$16,929,045 Categorical SPED Aid) from its General Fund and \$11,779,453 from its Supplemental General Fund to the Special Education Fund during Fiscal Year 2019 (\$31,314,566 total) to cover the costs associated with providing required services (compared with \$31,072,593 in FY-2018). Expenditures increased by \$3,096,696 or 9% for FY-2019. The FY-2019 ending fund balance of \$5,894,175 was slightly lower (by \$317,300 or 5.1%) from the fiscal year 2018 carryover balance of \$6,211,475. Special needs student FTE continues to grow faster than other district weighted student categories.

5. Capital Outlay Fund: The District’s mill levy to support the operations of the Capital Outlay Fund was 6.974 mills for Fiscal Year 2019, a decrease of .88 mils from 7.858 in FY- 2018. The Capital Outlay Fund supports building maintenance, remodel and repair projects, as well as District-wide technology initiatives. The fund’s revenue stream for FY-19 was again enhanced because of legislation passed in 2008 creating a state aid program to assist Kansas school districts in addressing their maintenance and repair needs. The Capital Improvement State Aid action of 2008 was subsequently suspended in 2009, and no Capital Outlay State Aid funds were distributed to schools until FY-15. The District received \$2,396,744 in this type of assistance from the State in FY-19. Including encumbrances, the FY-19 ending fund balance of \$9,478,624 was higher by \$1,295,051 compared with FY-18 ending fund balance of \$8,183,573.

A sample of the largest budgeted capital outlay maintenance and technology projects during FY-2019 are as follows:

State Street Door/Window Replacement – 1023219	\$ 575,000
Jardine HVAC Replacement Phase I – 1060119	\$ 250,000
Topeka High Auditorium Catwalk Phase I- 1012819	\$ 225,000
Topeka High Ceiling/Light second Floor - 1010719	\$ 200,000
Highland Park High Auditorium Seats - 1019819	\$ 125,000
McCarter Boiler Replacement - 1010519	\$ 120,000
Randolph Chiller Replacement – 1110119	\$ 120,000
Ross Chiller Replacement – 1120119	\$ 120,000
State Street Chiller Replacement - 1130119	\$ 120,000
State Street Univent Replacement - 1140119	\$ 120,000
Highland Park High Paint Auditorium – 1019419	\$ 115,000
McEachron Upgrade Fire Alarm - 1011319	\$ 115,000
Quincy RTU Replacement – 1100119	\$ 110,000
Williams Asphalt Parking Repave – 1010219	\$ 105,000

Fifty-one (51) Major Maintenance projects with a total estimated cost of \$4,500,000 were budgeted for FY-2019 - similar work for prior year FY-18 was budgeted at \$5,000,000.

6. Bond Fund: In April of 2014 voters unanimously approved a ballot giving the District authorization to issue general obligation bonds in an amount not exceeding \$143,000,000. On July 8, 2014 the District issued \$110,000,000 of Series 2014A general obligation bonds to finance needed capital improvements. Interest rates on the bonds average 3.862% with a maturity date of September 1, 2044. At the same time, the District issued \$8,160,000 of Series 2014B taxable general obligation bonds to retire certain outstanding general obligation bonds with a maturity date of August 1, 2020. On April 19, 2016 the District issued the final \$33,000,000 of its authorized General Obligation Bonds; the average interest rate for the 2016 issue was 3.124% (historically low bond rates) with a maturity date of September 1, 2044. As of June 30, 2019, the District issued Purchase Orders totaling \$139,907,219 utilizing Bond funds, or approximately 98% of the original bond issue of \$143 million dollars. For FY-2019, focus was on completion of work on the Bishop Professional Development Center and a Storm Shelter addition at Highland Park Central Elementary. Fund balance including encumbrances on June 30, 2019 was \$11,203,989.

7. The District's FY-2019 Textbook Revolving Fund Net Position of \$2,913,339 reflects a slight decrease of (\$154,079) from FY-2018. Towards the end of FY-2017, a \$2.75 million transfer from Contingency into Textbook Revolving was made in anticipation of more paper learning resources being purchased. This infusion of cash resulted in a large Net Position increase for FY-2018; the transfers into Textbook Revolving made in FY-2019 were much smaller (\$466,847).
8. Food Service Fund: The District's Food Service operation finished the year with a substantial decrease in Net Position of (\$898,529 or 33.6%). The percentage of the Fund's student customers eligible for free or reduced cost meals for FY-2019 was 71.9% (KSDE School Finance Publications). As published by the Kansas Department of Education on 7/31/2018, the Reimbursement Rates for FY-2019 National School Lunch Program; free meals were reimbursed to the District at a rate of \$3.645 (Federal \$3.31+ Cash-In-Lieu .2350 + .06) + (State of Kansas Reimbursement \$.04). Total operating costs were up 5.8% for FY-2019. Labor costs rose substantially due to increased hourly wage increases; payments to Employees for services were \$3,277,081 in FY-2019 vs. \$2,845,510 in FY-2018 (increase 15.2%). Payments to suppliers for goods and services increased slightly 7.5% (\$5,322,520 FY-2019 vs. \$4,950,104 FY-2018).

Budgetary Highlights

1. The District saw its adopted total state budget amount for all funds increase to \$229,488,973 (excludes Transfers of \$59,218,176) in FY-2019 from \$215,359,244 (excludes Transfers of \$53,472,927) in FY-2018. The increase in net USD budget authority is largely attributable to the substantial increase in General Fund state aid per pupil of \$159 (Block Grant FY-18 \$4,006 vs, FY-2019 SB-19 state aid per pupil of \$4,165).
2. The Kansas Supreme Court ruled in favor of schools in terms of adequacy in an ongoing school funding formula lawsuit. The court, in a previous ruling, determined the new school finance formula SB-19 met constitutionality in terms of equity. In June 2019, the court found the additional \$90 million in revenue approved by lawmakers earlier in the spring of 2019 satisfied the requirement of adequacy. The court will continue to oversee the case to ensure lawmakers follow through on their commitment to boost education spending.
3. The District's Board passed Resolution 15-39 on June 16, 2015 adopting the ability to increase its local option budget authority by an additional 3% (from 30% to 33%). The adopted LOB percentage for the past three fiscal years is as follows: FY-2017 33%, FY-2018 31%, and FY-2019 32.6%. The district continues to manage the LOB percentage in efforts to maximize state aid and adequately fund all instructional programs while keeping its total mill levy stable.

Capital Assets and Debt Administration

1. The District's FY-2019 long-term bonded debt liability decreased by \$2,505,000 from FY-2018; Year-end bonded debt Principal owed was \$146,805,000 (net of crossover debt principal of \$8,905,000). The District's Bond & Interest / Debt Service Fund (Code 62) had a budget basis ending cash balance of \$7,229,556.

As noted above, the District expended money on several major capital projects during the year. Please refer to the notes to the financial statements for information on capital assets.

This reports intent is to provide a detailed overview of USD 501's FY-2019 financial position. Please address any requests for information or questions concerning this report to the General Director of Fiscal Services, 624 SW 24th Street, Topeka, Kansas 66611-1294.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

STATEMENT OF NET POSITION

June 30, 2019

	Governmental Activities	Business-Type Activities	Total
Assets:			
Current assets:			
Cash and investments	\$ 67,434,207	\$ 4,474,323	\$ 71,908,530
Restricted cash and investments	9,081,831	-	9,081,831
Due from other governmental units	751,495	-	751,495
State aid receivables	6,548,465	-	6,548,465
Internal balances	(15,435)	15,435	-
Inventory of materials and supplies	43,641	325,114	368,755
Total current assets	83,844,204	4,814,872	88,659,076
Noncurrent assets:			
Capital assets not being depreciated	19,933,678	-	19,933,678
Capital assets, net of accumulated depreciation	203,303,127	1,105,822	204,408,949
Total noncurrent assets	223,236,805	1,105,822	224,342,627
Total assets	307,081,009	5,920,694	313,001,703
Deferred outflows of resources:			
Deferred outflows - OPEB	1,320,944	-	1,320,944
Deferred outflows - pension	20,239,173	-	20,239,173
Total deferred outflows of resources	21,560,117	-	21,560,117
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	10,134,123	263,779	10,397,902
Accrued interest payable	2,400,228	-	2,400,228
Estimated insurance claims	779,701	-	779,701
Payroll liabilities	7,838,832	-	7,838,832
Unearned revenue	376,952	46,907	423,859
General obligation bonds payable	2,555,000	-	2,555,000
Accrued compensated absences	1,268,284	-	1,268,284
Total current liabilities	25,353,120	310,686	25,663,806
Noncurrent liabilities:			
General obligation bonds payable, net	155,206,874	-	155,206,874
Accrued compensated absences	1,430,790	-	1,430,790
Net pension liability	143,320,910	-	143,320,910
Total OPEB liability	42,375,895	-	42,375,895
Total noncurrent liabilities	342,334,469	-	342,334,469
Total liabilities	367,687,589	310,686	367,998,275
Deferred inflows of resources:			
Deferred inflows - OPEB	794,048	-	794,048
Deferred inflows - pension	10,649,352	-	10,649,352
Total deferred inflows of resources	11,443,400	-	11,443,400
Net position:			
Net investment in capital assets	76,678,920	1,105,822	77,784,742
Restricted for:			
Debt service	13,911,159	-	13,911,159
Other	2,654,951	-	2,654,951
Unrestricted	(143,734,893)	4,504,186	(139,230,707)
Total net position	\$ (50,489,863)	\$ 5,610,008	\$ (44,879,855)

See accompanying notes to financial statements.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

STATEMENT OF ACTIVITIES

Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants		Governmental Activities	Business-Type Activities	Total
			Federal Grants	Other Grants and Contributions			
Governmental activities:							
Instruction	\$ 105,343,051	\$ 1,293,639	\$ 19,266,082	\$ 7,481,949	\$ (77,301,381)		\$ (77,301,381)
Instructional support	4,572,781	-	-	-	(4,572,781)		(4,572,781)
Student support	19,250,558	-	-	-	(19,250,558)		(19,250,558)
General administration	2,499,582	-	-	-	(2,499,582)		(2,499,582)
School administration	10,947,732	-	-	-	(10,947,732)		(10,947,732)
Business support	4,152,346	-	-	-	(4,152,346)		(4,152,346)
Operations and maintenance	15,820,760	-	-	-	(15,820,760)		(15,820,760)
Transportation	6,062,782	-	-	-	(6,062,782)		(6,062,782)
Central support services	7,243,936	-	-	-	(7,243,936)		(7,243,936)
Other support	192,269	-	-	-	(192,269)		(192,269)
Student activities	700,360	-	-	-	(700,360)		(700,360)
Interest on long-term debt	5,735,344	-	-	-	(5,735,344)		(5,735,344)
Total governmental activities	182,521,501	1,293,639	19,266,082	7,481,949	(154,479,831)		(154,479,831)
Business-type activities:							
Other business-type activities	9,785,869	1,247,710	6,862,065	-		\$ (1,676,094)	(1,676,094)
Total District (forward)	\$ 192,307,370	\$ 2,541,349	\$ 26,128,147	\$ 7,481,949	\$ (154,479,831)	\$ (1,676,094)	\$ (156,155,925)

(Continued)

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

STATEMENT OF ACTIVITIES
(Continued)

Year Ended June 30, 2019

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Net (expense) revenue and changes in net position brought forward	\$ (154,479,831)	\$ (1,676,094)	\$ (156,155,925)
General revenues:			
Property taxes	21,315,028	-	21,315,028
State aid	127,617,659	74,659	127,692,318
Other revenue from local sources	2,043,625	-	2,043,625
Interest and investment earnings	1,446,187	49,864	1,496,051
Gain on sale of capital assets	897,082	-	897,082
Transfers	(466,847)	466,847	-
Total general revenues	152,852,734	591,370	153,444,104
Change in net position	(1,627,097)	(1,084,724)	(2,711,821)
Net position, beginning of year	(48,862,766)	6,694,732	(42,168,034)
Net position, end of year	\$ (50,489,863)	\$ 5,610,008	\$ (44,879,855)

See accompanying notes to financial statements.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2019

	General*	Special Education
<u>ASSETS</u>		
Cash and investments	\$ 21,223,369	\$ 7,897,587
Restricted cash and investments	-	-
Due from other governmental units	-	-
State aid receivables	6,548,465	-
Inventory of materials and supplies	43,641	-
Total assets	\$ 27,815,475	\$ 7,897,587
<u>LIABILITIES AND FUND BALANCES</u>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 5,806,579	\$ 2,003,412
Payroll liabilities	7,838,832	-
Unearned revenue	-	-
Total liabilities	13,645,411	2,003,412
Fund balances:		
Non-spendable:		
Inventories	43,641	-
Restricted	-	-
Assigned	10,794,570	5,894,175
Unassigned	3,331,853	-
Total fund balances	14,170,064	5,894,175
Total liabilities and fund balances	\$ 27,815,475	\$ 7,897,587

* See the General Fund Combining Balance Sheet on pages 97-100.

See accompanying notes to financial statements.

Capital Outlay	USDE Pass Through	Bond	Bond and Interest	Other Governmental Funds	Total Governmental Funds
\$ 10,204,263	\$ 633,915	\$ 11,708,045	\$ 7,229,556	\$ 3,868,994	\$ 62,765,729
-	-	-	9,081,831	-	9,081,831
-	353,207	-	-	398,288	751,495
-	-	-	-	-	6,548,465
-	-	-	-	-	43,641
<u>\$ 10,204,263</u>	<u>\$ 987,122</u>	<u>\$ 11,708,045</u>	<u>\$ 16,311,387</u>	<u>\$ 4,267,282</u>	<u>\$ 79,191,161</u>
\$ 725,639	\$ 825,389	\$ 504,056	\$ -	\$ 269,048	\$ 10,134,123
-	-	-	-	-	7,838,832
-	161,733	-	-	215,219	376,952
<u>725,639</u>	<u>987,122</u>	<u>504,056</u>	<u>-</u>	<u>484,267</u>	<u>18,349,907</u>
-	-	-	-	-	43,641
-	-	11,203,989	16,311,387	2,654,951	30,170,327
9,478,624	-	-	-	1,128,064	27,295,433
-	-	-	-	-	3,331,853
<u>9,478,624</u>	<u>-</u>	<u>11,203,989</u>	<u>16,311,387</u>	<u>3,783,015</u>	<u>60,841,254</u>
<u>\$ 10,204,263</u>	<u>\$ 987,122</u>	<u>\$ 11,708,045</u>	<u>\$ 16,311,387</u>	<u>\$ 4,267,282</u>	<u>\$ 79,191,161</u>

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

June 30, 2019

Total fund balances - governmental funds		\$ 60,841,254
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$ 357,653,988 and the accumulated depreciation is \$ 134,417,183.		
		223,236,805
Internal service funds are used by the District to charge the costs of dental insurance and workers' compensation to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
		3,873,342
Long-term liabilities and the related deferred inflows and outflows are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Balances at June 30, 2019 are:		
General obligation bonds payable	\$ (155,710,000)	
Unamortized bond premium	(2,051,874)	
Accrued interest payable	(2,400,228)	
Accrued compensated absences (sick pay and vacation)	(2,699,074)	
Total OPEB liability	(42,375,895)	
Net pension liability	(143,320,910)	
Deferred outflows - OPEB	1,320,944	
Deferred inflows - OPEB	(794,048)	
Deferred outflows - pension	20,239,173	
Deferred inflows - pension	(10,649,352)	
	(338,441,264)	
Total net position - governmental activities		\$ (50,489,863)

See accompanying notes to financial statements.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

Year Ended June 30, 2019

	General*
Revenues:	
Property taxes	\$ 12,107,353
Local sources	25,000
Charges for services	321,635
State aid	103,390,275
Federal aid	-
Interest	37,465
Miscellaneous	506,683
	116,388,411
Expenditures:	
Instruction	59,534,381
Student support	5,285,282
Instructional support	3,423,703
General administration	2,185,788
School administration	10,159,700
Business support	1,768,703
Operations and maintenance	12,138,348
Transportation	3,809,806
Central support services	4,919,721
Other support	193,019
Student activities	(109,863)
On behalf expenditures:	
KPERs	-
Debt service:	
Principal	-
Interest and other charges	-
Site improvement	152,187
	103,460,775
Total expenditures	
Excess (deficiency) of revenues over (under) expenditures	12,927,636
Other financing sources (uses):	
Transfers in	-
Transfers out	(14,852,368)
Sale of capital assets	-
Insurance reimbursements	-
	(14,852,368)
Total other financing sources (uses)	
Net change in fund balances	(1,924,732)
Fund balance, beginning of year	16,094,796
Fund balance, end of year	\$ 14,170,064

* See the General Fund Combining Statement of Revenues, Expenditures, and Changes in Fund Balances on pages 101-104.

See accompanying notes to financial statements.

Special Education	Capital Outlay	USDE Pass Through	Bond	Bond and Interest	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 5,000,300	\$ -	\$ -	\$ 4,057,844	\$ 149,531	\$ 21,315,028
-	-	-	-	-	2,018,625	2,043,625
-	71,659	-	-	-	897,127	1,290,421
16,929,045	2,396,744	-	-	4,394,466	7,482,393	134,592,923
5,938,594	579,122	8,931,974	-	-	3,816,396	19,266,086
-	723,427	-	347,003	239,284	5,896	1,353,075
-	-	-	-	-	-	506,683
<u>22,867,639</u>	<u>8,771,252</u>	<u>8,931,974</u>	<u>347,003</u>	<u>8,691,594</u>	<u>14,369,968</u>	<u>180,367,841</u>
24,575,393	714,398	6,014,131	1,322,273	-	3,407,281	95,567,857
8,684,832	(27,500)	2,936,478	-	-	2,441,633	19,320,725
1,195,855	-	(18,635)	-	-	13,553	4,614,476
-	-	-	-	-	316,603	2,502,391
721,780	-	-	-	-	92,026	10,973,506
98	(252,975)	-	1,800	-	671,143	2,188,769
228,127	2,951,637	-	439,012	-	26,678	15,783,802
2,164,375	109,739	-	-	-	-	6,083,920
-	1,454,660	-	-	-	282,890	6,657,271
-	-	-	-	-	-	193,019
-	-	-	-	-	808,291	698,428
-	-	-	-	-	6,975,264	6,975,264
-	-	-	-	2,505,000	-	2,505,000
-	-	-	-	5,858,901	-	5,858,901
-	3,423,349	-	11,333,893	-	1,103	14,910,532
<u>37,570,460</u>	<u>8,373,308</u>	<u>8,931,974</u>	<u>13,096,978</u>	<u>8,363,901</u>	<u>15,036,465</u>	<u>194,833,861</u>
<u>(14,702,821)</u>	<u>397,944</u>	<u>-</u>	<u>(12,749,975)</u>	<u>327,693</u>	<u>(666,497)</u>	<u>(14,466,020)</u>
14,385,521	-	-	-	-	-	14,385,521
-	-	-	-	-	-	(14,852,368)
-	897,082	-	-	-	-	897,082
-	25	-	-	-	-	25
<u>14,385,521</u>	<u>897,107</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>430,260</u>
(317,300)	1,295,051	-	(12,749,975)	327,693	(666,497)	(14,035,760)
6,211,475	8,183,573	-	23,953,964	15,983,694	4,449,512	74,877,014
<u>\$ 5,894,175</u>	<u>\$ 9,478,624</u>	<u>\$ -</u>	<u>\$ 11,203,989</u>	<u>\$ 16,311,387</u>	<u>\$ 3,783,015</u>	<u>\$ 60,841,254</u>

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2019

Net change in fund balances - governmental funds	\$ (14,035,760)
The change in net position reported for governmental activities in the statement of activities is different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense of \$ 8,176,708 is less than capital outlays of \$ 20,963,927.	12,787,219
The repayment of the principal of long-term debt (e.g., bonds, leases) consumes the current financial resources of governmental funds, however, has no effect on net position.	2,505,000
Governmental funds report the effect of premiums, discounts, and similar items when debt is issued. These amounts are deferred and amortized in the statement of activities.	101,105
Internal service funds are used by the District to charge the costs of dental insurance and workers' compensation insurance to individual funds.	508,925
Due to the difference between accrual and modified accrual basis of accounting some expenses recorded in the statement of activities are recorded in different periods in the governmental funds. These expenses include compensated absences, other post employment benefits, net pension liability, and accrued interest payable.	<u>(3,493,586)</u>
Change in net position of governmental activities	<u><u>\$ (1,627,097)</u></u>

See accompanying notes to financial statements.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

June 30, 2019

	Business-Type Activities Nonmajor Proprietary Funds	Governmental Activities Internal Service Funds
<u>ASSETS</u>		
Current assets:		
Cash and investments	\$ 4,474,323	\$ 4,668,478
Inventory of supplies and materials, at cost	325,114	-
Total current assets	4,799,437	4,668,478
Noncurrent assets:		
Furniture, fixtures, and equipment	3,496,423	-
Less accumulated depreciation	(2,390,601)	-
Total noncurrent assets	1,105,822	-
Total assets	\$ 5,905,259	\$ 4,668,478
<u>LIABILITIES AND NET POSITION</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 263,779	\$ -
Unearned revenue	46,907	-
Estimated insurance claims	-	779,701
Total liabilities	310,686	779,701
Net position:		
Investment in capital assets	1,105,822	-
Unrestricted	4,488,751	3,888,777
Total net position	5,594,573	3,888,777
Total liabilities and net position		\$ 4,668,478
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	15,435	
Net position of business-type activities	\$ 5,610,008	

See accompanying notes to financial statements.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

Year Ended June 30, 2019

	Business-Type Activities	Governmental Activities
	Nonmajor Proprietary Funds	Internal Service Funds
Operating revenues:		
Charges for services	\$ 1,247,710	\$ 2,798,674
Other	-	3,218
Total operating revenues	1,247,710	2,801,892
Operating expenses:		
Instruction	921,686	-
Instructional support staff	2,201	-
Student support services	3,732	16,298
Business support	142,481	992,544
Central support services	-	1,362,341
Operations and maintenance	266,869	-
Depreciation	98,787	-
Food service	8,257,132	-
Other	107,877	-
Total operating expenses	9,800,765	2,371,183
Operating income (loss)	(8,553,055)	430,709
Nonoperating revenues:		
Interest	49,864	93,112
State grants	74,659	-
Federal grants	6,862,065	-
Total nonoperating revenues	6,986,588	93,112
Income (loss) before transfers	(1,566,467)	523,821
Transfers in	466,847	-
Change in net position	(1,099,620)	523,821
Net position, beginning of year		3,364,956
Net position, end of year		\$ 3,888,777
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	14,896	
Change in net position of business-type activities	\$ (1,084,724)	

See accompanying notes to financial statements.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

Year Ended June 30, 2019

	Business-Type Activities	Governmental Activities
	Proprietary Non-Major Funds	Internal Service Funds
Cash flows from operating activities:		
Received from user charges	\$ 1,247,710	\$ 2,798,675
Received from other sources	-	3,218
Payments to employees for services	(3,323,063)	(787,536)
Payments to suppliers for goods and services	(6,519,589)	(1,753,245)
Net cash from operating activities	(8,594,942)	261,112
Cash flows from noncapital financing activities:		
Transfers from other funds	466,847	-
Nonoperating grants received	6,910,923	-
Net cash from noncapital financing activities	7,377,770	-
Cash flows from capital and related financing activities:		
Purchase of capital assets	(422,554)	-
Cash flows from investing activities:		
Interest received	49,864	93,112
Net change in cash and cash equivalents	(1,589,862)	354,224
Cash and investments, beginning	6,064,185	4,314,254
Cash and investments, ending	\$ 4,474,323	\$ 4,668,478
Reconciliation of operating income (loss) to net cash from operating activities:		
Operating income (loss)	\$ (8,553,055)	\$ 430,709
Adjustments to reconcile operating income (loss) to net cash from operating activities:		
Depreciation	98,787	-
Changes in assets and liabilities:		
Inventory of supplies	9,641	-
Accounts payable	(150,315)	-
Estimated insurance claims	-	(169,597)
Net cash from operating activities	\$ (8,594,942)	\$ 261,112

See accompanying notes to financial statements.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

STATEMENT OF NET POSITION
FIDUCIARY FUNDS

June 30, 2019

	<u>Agency</u>
Assets:	
Cash	<u>\$ 523,472</u>
Liabilities:	
Due to student organizations	<u>\$ 523,472</u>

See accompanying notes to financial statements.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

1 - Summary of Significant Accounting Policies

The financial statements of Topeka Public Schools, Unified School District No. 501 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies of the District are described below.

Reporting Entity

The District is a municipal corporation governed by an elected seven-member board. In evaluating the District's financial reporting entity, management has considered all potential component units and has determined there are no component units over which the District is financially accountable. Financial accountability is based primarily on nonoperational or financial relationships with the District (as distinct from legal relationships). These financial statements include all the accounts for which the District is considered to be financially accountable.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to students who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

1 - Summary of Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though the latter are excluded from the government-wide financial statements. The emphasis of the fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means the balance is collectible within the current period, or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within sixty days of the end of the reporting period. Expenditures are recorded when the related fund liability is incurred, except for debt service payments, claims and judgments, and compensated absences, which are recognized as expenditures only when a payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources and uses.

The agency funds have no measurement focus but utilize the accrual basis of accounting for reporting their assets and liabilities.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

1 - Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The District reports the following major governmental funds:

General Fund, which is used to account for the general operations of the District and all unrestricted revenues and expenditures not required to be accounted for in other funds.

Special Education Fund, which is used to account for the revenues and expenditures related to the education and services for special education within the District.

Capital Outlay Fund, which is used to account for revenues that are primarily utilized for the acquisition, construction, repair, and remodeling of the District's buildings.

USDE Pass Through Fund, which is used to account for the revenues and expenditures related to federal grants received from the United States Department of Education.

Bond Fund, which is used to account for the 2014 and 2015 bond proceeds that are primarily utilized for the constructing, renovating, improving, furnishing, and equipping certain new and existing District education facilities and storm shelter facilities, acquiring and installing new security system and lighting equipment and improvements in the District's school building and other facilities, and acquiring and installing certain technology enhancements throughout the District and its facilities.

Bond and Interest Fund, which is used to account for resources accumulated and payments made for principal and interest on long-term debt.

Additionally, the District reports the following fund types:

Other Proprietary Funds, which are used to account for all monies received and expended attributable to the District's textbook and study material programs, breakfast and lunch programs, Meals on Wheels program, and Kanza Café program.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

1 - Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Internal Service Funds, which account for dental insurance and workers' compensation insurance provided to other departments on a cost-reimbursement basis.

Agency Funds, which account for monies held for student organizations.

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's proprietary funds are charges to students for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expense transactions not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, followed by unrestricted resources as needed.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the District's governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Statement of Cash Flows

For the purposes of the statement of cash flows for the proprietary funds, cash and investments with an original maturity of three months or less are considered to be cash equivalents.

Inventory

Inventory is valued at the lower of cost, using the first-in, first-out (FIFO) method, or market. The cost is recorded as an expenditure at the time individual inventory items are purchased rather than when consumed.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

1 - Summary of Significant Accounting Policies (Continued)

Investments

Investments include U.S. Treasury securities and money deposited in the State of Kansas Municipal Investment Pool (MIP). The U.S. Treasury securities and MIP are recorded at fair value. The fair value of the District's position in the MIP is the same as the value of the pool shares.

Capital Assets

Capital assets, which include land, buildings, furniture, vehicles, fixtures, equipment, and construction in progress, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The term capital assets includes tangible assets such as property, plant, and equipment as well as intangible assets such as easements, water rights, and software. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Major additions and improvements are capitalized. The District does not capitalize interest on the construction of capital assets.

The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the capital assets. The following table represents the District's capitalization thresholds and standards for useful lives of capital assets:

Asset Type	Capitalization Threshold	Useful Life
Buildings and Improvements	\$ 50,000	40 years
Land and Improvements	50,000	40 years
Vehicles	2,500	15 years
Furniture	2,500	10 years
Equipment	2,500	10 years
Computers	2,500	6 years
Video and Television Equipment	2,500	6 years
Intangibles - Software	100,000	8 years
Intangibles - Other	100,000	0-40 years

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

1 - Summary of Significant Accounting Policies (Continued)

Liabilities

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using a method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Compensated Absences

Under the terms of the District's personnel policy, District employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation days up to the maximum of one and one-half years' vacation.

Employees are only compensated for unused sick leave upon death or retirement. The maximum amount of sick leave for which an employee may be compensated depends upon the individual's length of service but cannot exceed sixty days.

In the government-wide and proprietary financial statements, vacation leave is accrued when incurred and sick leave is accrued upon attaining eligibility for retirement. Liabilities for these amounts are reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Net Position

The District's net position is classified as follows:

Net investment in capital assets – This represents the District's total investment in capital assets, net of accumulated depreciation and related debt.

Restricted net position – This includes resources that are legally or contractually obligated to be spent in accordance with restrictions imposed by external third parties.

Unrestricted net position – This includes resources derived from charges for services, property taxes, state appropriations, and interest. The resources are used for transactions relating to the educational and general operations of the District and may be used at the discretion of the Board of Education to meet current expenses in accordance with approved budgets.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

1 - Summary of Significant Accounting Policies (Continued)

Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2019, fund balances for governmental funds are made up of the following:

Non-spendable fund balance includes amounts that are (a) not in spendable form, or (b) legally or contractually required to remain intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash (for example: inventories, prepaid amounts, and long-term notes receivable).

Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed fund balance includes amounts that can only be used for specific purposes determined by formal action, such as a resolution, of the District’s highest level of decision-making authority, the District’s Board. Commitments may be changed or lifted only by the District taking the same formal action that imposed the constraint originally (for example: resolution or ordinance).

Assigned fund balance includes amounts intended to be used by the District for specific purposes that are neither restricted nor committed. Intent is expressed by (a) the District’s Board, or (b) a body or official to whom the District’s Board has delegated the authority to assign amounts to be used for specific purposes (General Director of Fiscal Services).

Unassigned fund balance is the residual classification for the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

In circumstances when an expenditure is made for a purpose which amounts are available in multiple fund balance classifications, fund balance is depleted in the following order: restricted, committed, assigned, and unassigned.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

1 - Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and, therefore, will *not* be recognized as an outflow of resources (expense/expenditure) until that time. The District has two items that qualify for reporting in this category. The items are deferred outflows of resources – pension and deferred outflows of resources – OPEB. See Note 8 for more information on the deferred outflows of resources – pension and Note 9 for more information on the deferred outflows of resources – OPEB.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and, therefore, will *not* be recognized as an inflow of resources (revenue) until that time. The District has two types of items that qualify for reporting in this category. The items are deferred inflows of resources – pension and deferred inflows of resources – OPEB. See Note 8 for more information on the deferred inflows of resources – pension and Note 9 for more information on the deferred inflows of resources – OPEB.

Pensions

For purposes of measuring the collective net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Kansas Public Employees Retirement System (KPERS) and additions to/deductions from KPERS' fiduciary net position have been determined on the same basis as they are reported by KPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

1 - Summary of Significant Accounting Policies (Continued)

Pending Governmental Accounting Standards Board Statements

At June 30, 2019, the Governmental Accounting Standards Board (GASB) had issued several statements not yet implemented by the District. The statements that might impact the District are as follows:

GASB Statement No. 84, *Fiduciary Activities*, improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement establishes criteria for identifying fiduciary activities, with the focus of the criteria on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund. The requirements of this statement are effective for periods beginning after December 15, 2018.

GASB Statement No. 87, *Leases*, improves accounting and financial reporting for leases by governments. Statement 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for periods beginning after December 15, 2019. Earlier application is encouraged.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

2 - Budgetary Basis of Accounting

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The District had no amendments to the budget for the fiscal year ended June 30, 2019.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each budgeted fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the modified accrual basis of accounting modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services and are usually evidenced by a purchase order or written contract.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

2 - Budgetary Basis of Accounting (Continued)

The following governmental and proprietary funds have annual budgets that are legally adopted:

Adult Basic Education	Federal Grants	Professional Development
At-Risk 4-Year-Old	Food Service	Special Education
At-Risk K-12	General	Special Liability
Bilingual Education	Gifts and Grants	Summer School
Bond and Interest	KPERS Special Retirement	Supplemental General
Capital Outlay	Contribution	Virtual Education
Contingency Reserve	Parent Education	Vocational Education

The following governmental and proprietary funds do not require a legally adopted annual budget:

All District Activity Funds	Kanza Café	Textbook/Study Material
Bond	Meals on Wheels	Revolving
Dental Self-Insurance	Miscellaneous Other Grants	Trust Gift Legacy
Department of Corrections	Payroll Liability Clearing	US HHS Direct
Pass Through	Pepsi Exclusivity	USDE Direct
Federal Program Overhead	Risk Management	USDE Pass Through
Flex 125 Spending	Self-Insurance Reserve	Workers' Compensation
Internal Service Reserve	Sports Park Operations	Workforce Investment
Kansas Miscellaneous Other Grants	TANF	

3 - Cash and Investments

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an adequate rate of return on funds.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

3 - Cash and Investments (Continued)

Credit risk. Kansas State Statutes authorize the District, with certain restrictions, to deposit or invest in open accounts, time deposits, certificates of deposit, repurchase agreements, the State of Kansas Municipal Investment Pool (the MIP), and U.S. treasury bills and notes. The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is shown as cash and investments. In addition, certain cash and investments are separately held by some of the District's funds. At June 30, 2019 and throughout the year ended June 30, 2019, the District's cash and investments included certificates of deposit, U.S. government securities, and the MIP. The MIP is under the oversight of the Pooled Money Investment Board (the Board). The Board is comprised of the State Treasurer and four additional members appointed by the State Governor. The Board reports annually to the Kansas Legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers. The District's investments in the MIP were not rated by a rating agency as of June 30, 2019.

The credit rating for the U.S. government securities at June 30, 2019 is AA+ (Standard & Poors). Investment earnings, including interest income, are allocated to the funds required to accumulate interest; other investment earnings are allocated based on management discretion.

Fair value measurement. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. For the year ended June 30, 2019, the U.S. government securities were valued with significant other observable inputs (Level 2). Fair value measurement hierarchy information is not provided for the MIP which is considered a cash equivalent, as all of the District's funds are invested in the overnight pool.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

3 - Cash and Investments (Continued)

Custodial credit risk – deposits and investments. In the case of deposits, this is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Statutes require that deposits and investment be collateralized and that collateral pledged must have a fair market value equal to 100% of the deposits (less insured amounts) and deposits and investments must be assigned for the benefit of the District. At June 30, 2019, the District’s deposits were not exposed to custodial credit risk.

Interest rate risk. Interest rate risk is the risk that changes in the interest rates may adversely affect the investment’s fair value. The District does not have a policy to address interest rate risk. The District is not exposed to significant interest rate risk.

As of June 30, 2019, maturities of the District’s investments are as follows:

Investment Type	Fair Value	Investments Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
U.S. Treasury securities	\$ 9,081,821	\$ 49,482	\$ 9,032,339	\$ -	\$ -
Municipal Investment Overnight Pool	62,118,989	62,118,989	-	-	-
	<u>\$ 71,200,810</u>	<u>\$ 62,168,471</u>	<u>\$ 9,032,339</u>	<u>\$ -</u>	<u>\$ -</u>

Concentration of credit risk. The District’s investment policy does not place any limitations on the percentage of the District’s total investments that may be with any one issuer. Kansas statutes indirectly prohibit such a limitation, as local banks must be given preference on each investment of idle funds.

4 - Tax Revenue, Taxes Receivable, and Tax Abatements

In accordance with Kansas statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing year. The District’s property tax is levied each November 1 on the assessed value as of the prior January 1 for all property located in the District. Property taxes are due in total by December 20 following the levy date, or they may be paid in equal installments if paid by December 20 (first installment) and the following May 10 (second installment).

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

4 - Tax Revenue, Taxes Receivable, and Tax Abatements (Continued)

Assessed values are established by the Shawnee County appraiser's office. The assessed valuation at January 1, 2018 of the tangible, taxable property for purposes of local taxation was \$ 554,374,910 for the general fund and \$ 637,723,157 in total.

The tax levy per \$ 1,000 of the November 1, 2018 levy of tangible, taxable property levied for District taxation was as follows by fund:

General	\$ 20.000
Supplemental general	17.738
Capital outlay	6.974
Debt service	5.828
Special liability	0.214
	\$ 50.754
	\$ 50.754

Tax Abatements and Rebates

The City of Topeka, Kansas and Shawnee County, Kansas enter into property tax abatement and rebate agreements with local businesses and entities for the purpose of attracting and improving business and neighborhood conditions within their jurisdictions. These agreements affect local municipalities, including the District. For the fiscal year ended June 30, 2019, abated or rebated property taxes not distributed to the District because of such agreements totaled \$ 1,807,477 (includes economic development, IRB exemptions of \$ 813,799, and NRA property tax rebates of \$ 993,678). One-hundred and forty-three (143) parcels made up the total rebated amount, including the following that exceeded ten percent of the total amount of undistributed tax:

- An IRB exemption to a large medical care provider. The District's portion of the abatement amounted to \$ 667,638.
- An NRA property tax rebate to a large retailer. The District's portion of the rebate amounted to \$ 217,874.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

5 - Capital Assets

A summary of changes in capital assets follows:

Governmental Activities				
	Balance July 1, 2018	Additions	Retirements	Balance June 30, 2019
<u>Capital assets not being depreciated:</u>				
Land	\$ 6,623,440	\$ -	\$ -	\$ 6,623,440
Construction in progress	8,369,718	15,216,536	(10,276,016)	13,310,238
Total capital assets not being depreciated	14,993,158	15,216,536	(10,276,016)	19,933,678
<u>Capital assets being depreciated:</u>				
Buildings	292,127,949	14,058,710	-	306,186,659
Furniture, fixtures, and equipment	30,491,833	1,964,697	(922,879)	31,533,651
Total capital assets being depreciated	322,619,782	16,023,407	(922,879)	337,720,310
Less accumulated depreciation	(127,163,354)	(8,176,708)	922,879	(134,417,183)
Total capital assets being depreciated, net	195,456,428	7,846,699	-	203,303,127
	<u>\$ 210,449,586</u>	<u>\$ 23,063,235</u>	<u>\$ (10,276,016)</u>	<u>\$ 223,236,805</u>
Business-Type Activities				
	Balance July 1, 2018	Additions	Retirements	Balance June 30, 2019
<u>Capital assets being depreciated:</u>				
Furniture, fixtures, and equipment	\$ 3,299,638	\$ 422,554	\$ (225,769)	\$ 3,496,423
Less accumulated depreciation	(2,517,583)	(98,787)	225,769	(2,390,601)
	<u>\$ 782,055</u>	<u>\$ 323,767</u>	<u>\$ -</u>	<u>\$ 1,105,822</u>

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

5 - Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the District as follows:

Governmental activities:

Instruction	\$ 1,069,113
Student support	10,718
Instructional support	13,513
General administration	966
School administration	7,413
Support services	2,051,897
Transportation	35,713
Central support services	605,783
Operations and maintenance	663,985
Enterprise operations	8,387
Building acquisition	1,479,957
Building remodeling	1,366,853
Community service	403
Student activities	1,932
Site improvement	31,901
Architecture/engineering	378,307
Building additions	449,867

Total depreciation expense - governmental activities	\$ 8,176,708
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Business-type activities:

Nonmajor proprietary funds	\$ 98,787
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Total depreciation expense - business-type activities	\$ 98,787
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TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

6 - Liabilities

The following is a summary of changes in long-term debt for the year ended June 30, 2019:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
General obligation bonds paid with ad valorem taxes	\$ 158,215,000	\$ -	\$ 2,505,000	\$ 155,710,000	\$ 2,555,000
Add unamortized premium on bonds				2,051,874	
				\$ 157,761,874	
Total OPEB liability	\$ 42,137,343	\$ 3,787,149	\$ 3,548,597	\$ 42,375,895	\$ -
Compensated absences	\$ 2,618,415	\$ 1,348,943	\$ 1,268,284	\$ 2,699,074	\$ 1,268,284
Net pension liability	\$ 149,798,454	\$ -	\$ 6,477,544	\$ 143,320,910	\$ -

For governmental activities, the general fund is typically used to liquidate post-employment benefits and compensated absences.

General Obligation Bonds

General obligation bonds consisted of the following at June 30, 2019:

Series	Date Issued	Final Scheduled Maturity	Original Principal Amount	Principal Amount Outstanding June 30, 2019	Interest Ranges
2014A	7/8/2014	9/1/2044	\$ 110,000,000	\$ 110,000,000	3.75% to 5.00%
2014B	7/8/2014	8/1/2020	8,160,000	4,155,000	2.00% to 2.15%
2016A	4/19/2016	8/1/2044	33,000,000	32,515,000	2.00% to 4.00%
2017A	11/21/2017	8/1/2028	9,040,000	9,040,000	2.50%
			\$ 160,200,000	\$ 155,710,000	

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

6 - Liabilities (Continued)

General Obligation Bonds (Continued)

Annual debt service requirements to maturity for the bonds are as follows:

Year	Principal	Interest	Total
2020	\$ 2,555,000	\$ 5,803,376	\$ 8,358,376
2021	2,615,000	5,742,451	8,357,451
2022	2,980,000	5,639,476	8,619,476
2023	3,175,000	5,494,601	8,669,601
2024	3,380,000	5,340,101	8,720,101
2025 - 2029	28,900,000	24,064,115	52,964,115
2030 - 2034	25,605,000	18,792,553	44,397,553
2035 - 2039	33,195,000	13,170,498	46,365,498
2040 - 2044	43,190,000	6,062,247	49,252,247
2045 - 2049	10,115,000	183,050	10,298,050
Total	<u>\$ 155,710,000</u>	<u>\$ 90,292,468</u>	<u>\$ 246,002,468</u>

Issued and Defeased Bonds

During the year ended June 30, 2018, the District issued \$ 9,040,000 of general obligation refunding bonds (Series 2017A) to purchase securities that were placed in an irrevocable trust for the purpose of generating resources for \$ 8,905,000 of future debt service payments related to its Series 2014A general obligation bonds and \$ 1,060,944 of future debt service payments related to its Series 2017A general obligation bonds. However, the Series 2014A bond principal payments are not considered to be defeased until the crossover date of August 1, 2022, the redemption date for the August 1, 2026; August 1, 2027; and August 1, 2028 bond payments, since they were refunded through a crossover refunding transaction. Because there is no defeasance in such a transaction until the crossover date, the assets held in trust by the escrow agent are reported in the bond and interest fund as restricted cash and investments in the amount of \$ 9,081,831. The refunded bonds are reported in long-term liabilities until the crossover date. The transaction resulted in an economic gain of \$ 453,995 and a reduction of approximately \$ 530,050 in future debt service payments.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

6 - Liabilities (Continued)

Bonded Indebtedness Limitation

Kansas statutes restrict the level of the authorized and outstanding bonded indebtedness of the District to not more than 14% of the assessed value of tangible, taxable property within the District.

At June 30, 2019, based upon the assessed valuation of \$ 637,723,157, the general obligation limit was \$ 89,281,242. The District's bonded indebtedness totaled \$ 155,710,000 less \$ 16,311,387 available in the bond and interest fund, resulting in a general obligation debt margin of \$ (50,117,371). The District obtained a waiver to exceed the general obligation debt limit for the Series 2016A bond issuance.

7 - Cash Deficits

The District expended monies in excess of available cash in the General Fund and the Supplemental General Fund. This was a result of the State of Kansas failing to make its final state aid payments before June 30, 2019. The District was instructed by the State Department of Education to expend the authorized budget for the year ended June 30, 2019 in accordance with Senate Bill 4. The balance of monies due the District from the State was received in July 2019. The District expended monies in excess of available cash in the Gifts and Grants Fund. This was the result of timing of reimbursements received from grantors.

8 - Defined Benefit Pension Plan

General Information About the Pension Plan

Plan Description. The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

8 - Defined Benefit Pension Plan (Continued)

General Information About the Pension Plan (Continued)

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, and KPERS 3 are determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 14.59% and 13.21%, respectively, for the fiscal year ended June 30, 2019.

Per 2017 Senate Substitute for House Bill 2052, Section 37(a), state general fund employer contributions to KPERS were decreased by \$64.13 million for the fiscal year ended June 30, 2017. Section 43(17) of the bill also stipulated that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2018. The level dollar amount was computed to be \$6.4 million per year. The first year payment of \$6.4 million was received in July 2017 and appropriations for fiscal year 2018 were made for the State/School group at the statutory contribution rate of 12.01% for that year.

Per 2017 Senate Substitute for House Bill 2002, Section 51(a), state general fund employer contributions to KPERS were decreased by \$ 194.0 million for the fiscal year ended June 30, 2019. Section 56(19) of the bill also stipulates that repayments of the reduced contribution are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2020. The level dollar amount was computed to be \$ 19.4 million per year.

2018 House Substitute for Senate Bill 109 provided for additional funding for KPERS School group. A payment of \$ 56 million was paid in fiscal year 2018. This bill also authorized a payment of \$ 82 million in fiscal year 2019.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

8 - Defined Benefit Pension Plan (Continued)

General Information About the Pension Plan (Continued)

2019 Senate Bill 9 authorized a payment of \$115 million for the KPERS School group.

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$ 6,975,264 for the year ended June 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the District's proportionate share of the collective net pension liability reported by KPERS was \$ 143,320,910. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contribution of the State/School subgroup within KPERS for the fiscal year ended June 30, 2018.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

Although KPERS administers one cost-sharing, multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each of the following groups of the plan:

- State/School
- Local
- Police and Firemen
- Judges

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

8 - Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer. The District's proportion of the collective net pension liability was based on the ratio of the District's actual contributions to KPERS, relative to the total employer and nonemployer contributions of the State/School group within KPERS for the fiscal year ended June 30, 2018. The contributions used exclude contributions made for prior service, excess benefits, and irregular payments. At June 30, 2018, the District's proportion was 2.196999%, which was a decrease of 0.032487% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$ 10,475,734. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 6,221,580
Net difference between projected and actual earnings on pension plan investments	2,458,477	-
Change of assumptions	5,393,025	123,831
Changes in proportionate share	5,412,407	4,303,941
District contributions subsequent to measurement date	<u>6,975,264</u>	<u>-</u>
Total	<u>\$ 20,239,173</u>	<u>\$ 10,649,352</u>

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

8 - Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The \$ 6,975,264 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,		
2020	\$	3,532,596
2021		1,693,258
2022		(1,768,921)
2023		(679,870)
2024		(162,506)
		\$ 2,614,557

Actuarial assumptions. The total pension liability for KPERS in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	2.75 percent
Wage inflation	3.00 percent
Salary increases, including wage increases	3.50 to 12.00 percent, including inflation
Long-term rate of return net of investment expense, and including price inflation	7.75 percent

Mortality rates were based on the RP-2014 Combined Mortality Tables with future mortality improvements based on Scale MP-2016.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

8 - Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study conducted for the three-year period beginning December 31, 2017.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocations as of June 30, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equities	47%	6.85%
Fixed income	13%	1.25%
Yield driven	8%	6.55%
Real return	11%	1.71%
Real estate	11%	5.05%
Alternatives	8%	9.85%
Short-term investments	2%	-0.25%
Total	100%	

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

8 - Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Discount rate. The discount rate used by KPERS to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The State/School employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the KPERS Board of Trustees for this group may not increase by more than the statutory cap. The expected KPERS employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in the future. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the collective net pension liability to changes in the discount rate. The following presents the District's proportionate share of the collective net pension liability calculated using the discount rate of 7.75%, as well as what the District's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
District's proportionate share of the collective net pension liability	\$ 193,014,947	\$ 143,320,910	\$ 101,287,350

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued KPERS financial report.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

9 - Other Postemployment Benefits

Plan Description. The District offers postemployment benefits to retired employees. The benefits are provided through a single employer defined benefit postemployment plan administered by the District. Kansas statutes provide that postemployment healthcare benefits be extended to retired employees who have met age and/or service eligibility requirements until the individuals become eligible for Medicare coverage at age 65. The District's employee benefit plan provides the same medical, pharmacy, and dental benefits to eligible retirees and their dependents as it does to active employees, until age 66 for administrators and age 65 for all other retirees. In addition, the District provides an early retirement incentive to eligible employees who retire before age 65 and a life insurance benefit through age 66 for administrators. The District pays the equivalent of the base plan premiums on behalf of retirees, and the retirees who have chosen the buy-up plan pay any additional cost of the plan. Covered spouses pay 100% of their premiums. Full-time employees are eligible to retire at age 60 with at least ten years of service with the District. Part-time employees are eligible to retire at age 60 with at least 15 years of service. The benefit is available for selection at retirement and is extended to retirees and their dependents until the individuals become eligible for Medicare at 65. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The plan does not issue a stand-alone financial report.

As of June 30, 2019, the District has approximately 204 employees who are eligible to receive early retirement benefits. The benefits vary based on employee classification. Classified employees receive \$ 260 per month in cash and \$ 513 per month in health and dental insurance coverage until their sixty-fifth (65) birthday. Certified employees receive one-third of the certified base salary monthly, which is one-third of the base salary of a beginning professional employee in effect at the time the retirement commences, and \$ 513 per month in health and dental insurance coverage until their sixty-fifth (65) birthday. Administrators receive \$ 1,250 per month in cash and \$ 513 per month in health and dental insurance coverage plus \$ 13 for life insurance premiums per month. The District's contributions are financed on a pay-as-you-go basis. During the year ended June 30, 2019, payments to early retirees along with insurance benefits totaled approximately \$ 2,525,000. These amounts are reflected in general fund instruction and support services expenditures.

Funding Policy. The District provides health insurance benefits to retirees and their dependents in accordance with Kansas law (K.S.A. 12-5040). Kansas statutes, which may be amended by the state legislature, establishes that participating retirees may be required to contribute to the employee group health benefits plan, including administrative costs.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

9 - Other Postemployment Benefits (Continued)

The District appropriates funds annually for the costs associated with this retirement benefit and provides funding for the expenditures on a pay-as-you-go basis through the General Fund. In fiscal year 2019, the District contributed \$ 3,592,393 to the plan.

Employees Covered by Benefit Terms. At the actuarial valuation date of July 1, 2017, the following employees were covered by the benefit terms.

Inactive employees or beneficiaries currently receiving benefit payments	197
Active employees	<u>1,211</u>
	<u><u>1,408</u></u>

Total OPEB Liability. The District's total OPEB liability of \$ 40,095,224 was measured as of June 30, 2019, and was determined by an actuarial valuation performed as of July 1, 2017.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

9 - Other Postemployment Benefits (Continued)

Actuarial Assumptions and Other Inputs. The total OPEB liability in the actuarial valuation with a measurement date of June 30, 2019 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Individual entry age normal as a level percentage of payroll
Discount rate	3.36 percent, based on the S&P Municipal Bond 20 Year High Grade Rate Index
Annual wage increases	4.00 percent per year
Price inflation	2.50 percent
Mortality	<i>Pre-retirement Healthy</i> Male: 80% of RP-2014 M with White Collar Adjustment Female: 80% of RP-2014 F with White Collar Adjustment <i>Post-retirement Healthy</i> Male: RP-2014 M with White Collar Adjustment Female: RP-2014 F with White Collar Adjustment <i>Disabled</i> RP-2014 Disabled Life Table Margin for mortality improvements: Scale MP-2016, fully generational

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

9 - Other Postemployment Benefits (Continued)

Annual Healthcare Trend

Years after Valuation	Medical & Pharmacy		Dental
	Baseline	Adjustment for "Cadillac" Excise Taxes	
1	9.00 %	9.00 %	4.50 %
2	8.50	8.50	4.50
3	8.00	8.00	4.50
4	7.50	12.00	4.50
5	7.00	9.25	4.50
6	6.50	8.50	4.50
7	6.00	7.75	4.50
8	5.50	7.00	4.50
9	5.00	5.75	4.50
10+	4.50	5.00	4.50

Changes in Total OPEB Liability.

	Total OPEB Liability
Balance at June 30, 2018	\$ 39,770,511
Changes for the year:	
Service cost	1,949,626
Interest	1,350,820
Net benefits paid by employer	(3,182,243)
Changes in assumptions and inputs	206,510
Net changes	324,713
Balance at June 30, 2019	\$ 40,095,224

Changes of assumptions and other inputs reflect a change in the discount rate from 3.45 percent in 2018 to 3.36 percent in 2019.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

9 - Other Postemployment Benefits (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.36 percent) or 1-percentage-point higher (4.36 percent) than the current discount rate:

	1% Decrease (2.36%)	Discount Rate (3.36%)	1% Increase (4.36%)
Total OPEB liability	\$ 43,320,497	\$ 40,095,224	\$ 37,082,258

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following represents the total OPEB liability of the District as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 37,248,121	\$ 40,095,224	\$ 43,438,684

OPEB Expense and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2019, the District recognized OPEB expense of \$ 3,225,215. At June 30, 2019, the District reported deferred inflows of resources related to OPEB from the following source:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 180,567	\$ (602,995)

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

9 - Other Postemployment Benefits (Continued)

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,		
2020	\$	(75,231)
2021		(75,231)
2022		(75,231)
2023		(75,231)
2024		(75,231)
Thereafter		(46,273)
	\$	(422,428)

Disability Benefits and Life Insurance

Plan Description. The District participates in a multiple-employer defined benefit other postemployment benefit (OPEB) plan (the Plan) which is administered by the Kansas Public Employees Retirement System (KPERS). The Plan provides long-term disability benefits and a life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-04927. The Plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. However, because the trust's assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Accordingly, the Plan is considered to be administered on a pay-as-you-go basis.

Benefits. Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60 percent (prior to January 1, 2006, 66 2/3 percent) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver of premium provision.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

9 - Other Postemployment Benefits (Continued)

Disability Benefits and Life Insurance (Continued)

The monthly long-term disability benefit is 60 percent of the member’s monthly compensation, with a minimum of \$ 100 and a maximum of \$ 5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member’s 65th birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime.

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member’s annual rate of compensation at the time of disability, or 2) the members previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual insurance policy.

Employees Covered by Benefit Terms. The District has the following employees covered by the Plan as of June 30, 2019:

Inactive employees or beneficiaries currently receiving benefit payments	26
Active employees	2,370
	2,396
	2,396

Total OPEB Liability. The District’s total OPEB liability of \$ 2,280,671 reported as of June 30, 2019 was measured as of June 30, 2018 (the measurement date), and was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

9 - Other Postemployment Benefits (Continued)

Actuarial Assumptions and Other Inputs. The total OPEB liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Price inflation	2.75%
Wage inflation	2.75%
Salary increases	3.50%, including inflation
Discount rate	3.87%, based on the 20-year municipal bond rate with an average rating of AA/Aa or better, obtained from the Bond Buyer General Obligation 20-Bond Municipal Index

Mortality rates used for the death benefits were based on the RP-2014 White Collar Mortality Table for Males and Females, adjusted for generational mortality improvement using MP-2018.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study conducted for the period July 1, 2014 – June 30, 2016.

Changes in Total OPEB Liability.

Balance at June 30, 2018	\$ 2,366,832
Changes for the year:	
Service cost	192,616
Interest on total OPEB liability	87,576
Changes in assumptions or other inputs	(137,899)
Benefit payments	<u>(228,454)</u>
Net changes	<u>(86,161)</u>
Balance at June 30, 2019	<u><u>\$ 2,280,671</u></u>

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

9 - Other Postemployment Benefits (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the District's total OPEB liability calculated using the discount rate of 3.87%, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.87%) or 1-percentage point higher (4.87%) than the current rate:

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB liability	\$ 2,393,911	\$ 2,280,671	\$ 2,171,376

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following represents the total OPEB liability of the District as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 2,280,671	\$ 2,280,671	\$ 2,280,671

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2019, the District recognized OPEB expense of \$ 257,187.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

9 - Other Postemployment Benefits (Continued)

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ -	\$ (96,613)
Differences between expected and actual experience	-	(94,440)
Benefit payments subsequent to the measurement date	1,140,377	-
Total	\$ 1,140,377	\$ (191,053)

The deferred outflow of resources related to the benefit payments subsequent to the measurement date totaling \$ 1,140,377 consists of payments made to KPERS for benefits and administrative costs, and will be recognized as a reduction in the total OPEB liability during the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,		
2020	\$	(23,005)
2021		(23,005)
2022		(23,005)
2023		(23,005)
2024		(23,005)
Thereafter		(76,028)
	\$	(191,053)

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

10 - Interfund Transactions

A summary of transfers for the year is as follows:

Transfers to	Transfers from Governmental Funds General Fund
Governmental funds:	
Special education	\$ 14,385,521
Proprietary funds:	
Textbook/study material revolving	466,847
	\$ 14,852,368

Transfers are used to move unrestricted monies to finance various programs that the District must account for in other funds in accordance with budgetary authorizations, including amounts provided as matching funds for various grants and to close out finished capital project funds.

11 - Commitments and Contingencies

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruptions; errors and omission; injuries to employees and natural disasters. Commercial insurance coverage is purchased for claims arising from such matters other than those relating to workers' compensation and dental. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no decreases in insurance coverage from the prior year.

Self-Insurance Funds

The District has established internal service funds for self-insured worker's compensation and dental insurance. The worker's compensation program began in July 1993, and the dental insurance program began in September 2005.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
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NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

11 - Commitments and Contingencies (Continued)

Self-Insurance Funds (Continued)

Funds are accumulated for payment of claims and insurance premiums through charges to the District's funds. Currently, the District is funding the worker's compensation reserve fund with annual contributions. The dental self-insured fund is funded with contributions made during each payroll period from the employer and the employees. All plans are administered by a third party, which accumulates claims. During 2019, the District's maximum responsibility for payment of worker's compensation benefits was \$ 500,000 per occurrence (\$ 1,000,000 in aggregate). The District's maximum responsibility for payment of dental insurance benefits was \$ 1,500 per employee per year. The District purchases commercial insurance for claims in excess of the maximum and for all other risks of loss. The claims liability at June 30, 2019 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The claims liability of \$ 779,701 is included in the governmental activities column of the statement of net position as estimated insurance claims. Changes in the claims liability for the years ended June 30, 2019 and 2018 were:

	Beginning of Year Liability	Change in Estimate	Claims and Premium Payments	End of Year Liability
2019	\$ 949,298	\$ 492,009	\$ 661,606	\$ 779,701
2018	884,886	632,413	568,001	949,298

No amounts have been reflected in the financial statements for dental insurance claims liability as of June 30, 2019.

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed expenditures, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to not be material to the financial statements.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

11 - Commitments and Contingencies (Continued)

Litigation

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the District.

Encumbrances

The District uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to executory contracts not yet performed and purchase orders not yet filled. Commitments for such expenditure of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances still open at year-end are not accounted for as expenditures and liabilities, but, rather, as restricted, committed, or assigned fund balance. At June 30, 2019, the District's recorded encumbrances in governmental funds were as follows:

General	\$ 1,319,723
Capital outlay	4,369,471
Special education	36,507
Bond	4,494,459
Other nonmajor governmental funds	<u>33,739</u>
	<u>\$ 10,253,899</u>

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

11 - Commitments and Contingencies (Continued)

Project authorizations compared with expenditures to date for significant projects open at year-end are as follows:

	Expenditures to Date	Project Authorization
Projects in process:		
ADA Improvements Music/Stage	\$ 40,000	\$ 58,800
Bishop Professional Development Center	8,187,054	9,561,419
Boiler Replacement	11,254	114,740
Ceiling/Light Replacement	172,723	234,200
Ceiling/Light Replacement	74,680	89,200
Ceiling/Light Replacement Phase I	75,400	106,200
Chiller Replacement	42,116	88,534
Chiller Replacement	54,061	121,250
Chiller Replacement	43,707	99,100
Floor/Carpet Replacement Phase 1	78,730	102,170
HVAC System Replacement Phase I	43,375	156,213
HVAC Upgrade Steam Tunnels	66,295	111,476
Install A/C Asst Pricipal Office	10,584	87,786
Install Auditorium Catwalk	1,500	418,196
Remodel Classroom	148,860	168,860
Remodel Leadership Areas	380,285	395,285
Replace LG RT	16,000	1,241,926
RTU Replacement	7,308	47,820
RTU Replacement	93,945	134,061
Storm Shelter Additions HPC	3,352,940	3,593,873
Topeka High Air Condition Gym	2,706	72,840
Univent Replacement	19,830	227,377
Upgrade Fire Alarm System	8,000	168,930
Window/Door Replacement	262,643	464,735
	\$ 13,193,996	\$ 17,864,991

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

12 - Subsequent Event

On January 29, 2020, the District issued Series 2020A and Series 2020B general obligation refunding bonds in the amounts of \$ 94,770,000 and \$ 10,445,000, respectively, to refund future debt service payments related to its Series 2014A and Series 2016A general obligation bonds. For Series 2020A, principal maturities ranging from \$ 2,165,000 to \$ 8,875,000 are due through fiscal year 2040, and the interest rate is 3.59%. For Series 2020B, principal maturities ranging from \$ 625,000 to \$ 885,000 are due through fiscal year 2040, and the interest rate is 3.59%. The transaction resulted in an economic gain of \$ 4,833,933 and a reduction of \$ 20,442,379 in future debt service payments.

REQUIRED SUPPLEMENTARY INFORMATION

TOPEKA PUBLIC SCHOOLS
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TOPEKA, KANSAS

SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - FUNDS INCLUDED IN THE COMBINED GENERAL
FUND (BUDGET BASIS)

Year Ended June 30, 2019

	General		
	Original and Final Budget	Actual	Variance Over (Under)
Revenues:			
Intergovernmental:			
State and local	\$ 101,752,026	\$ 99,681,739	\$ (2,070,287)
Reimbursed expenses	-	378,036	378,036
Total revenues	<u>101,752,026</u>	<u>100,059,775</u>	<u>(1,692,251)</u>
Expenditures and transfers out subject to budget:			
Current:			
Instruction	27,800,729	24,684,782	(3,115,947)
Support services	40,332,933	36,299,307	(4,033,626)
Transfers out	33,618,364	37,765,564	4,147,200
Budget adjustment to comply with legal max	(3,002,373)	-	3,002,373
Total expenditures and transfers out subject to budget	<u>98,749,653</u>	<u>98,749,653</u>	<u>-</u>
Expenditures not subject to budget:			
Reimbursed expenses	-	378,036	378,036
Total expenditures	<u>98,749,653</u>	<u>99,127,689</u>	<u>378,036</u>
Excess of revenues over expenditures, transfers out subject to budget, and expenditures not subject to budget	3,002,373	932,086	<u>\$ (2,070,287)</u>
Fund balances, beginning of year, budget basis	-	(5,758,007)	
Fund balances, end of year, budget basis	<u>\$ 3,002,373</u>	<u>(4,825,921)</u>	
<u>Reconciliation to GAAP</u>			
Plus receivables at June 30, 2019		4,825,921	
Plus inventories at June 30, 2019		43,641	
Plus encumbrances outstanding at June 30, 2019		473,668	
Fund balance on the basis of GAAP - General Fund only		<u>517,309</u>	
Fund balances for separately budgeted funds included with the General Fund on GAAP basis financials:			
Supplemental general		43,887	
At-risk 4-year-old		659,782	
At-risk K-12		3,711,558	
Bilingual education		930,910	
Vocational education		1,766,387	
Professional development		307,305	
Summer school		264,503	
Contingency reserve		3,225,001	
Fund balances for non-budgeted funds included with the General Fund on GAAP basis financials:			
Pepsi exclusivity		107,533	
Internal service reserve		-	
Sports park operations		820,924	
Payroll liability clearing		-	
Self-insurance reserve		884,628	
Risk management reserve		930,337	
		<u>\$ 14,170,064</u>	

(Continued)

TOPEKA PUBLIC SCHOOLS
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TOPEKA, KANSAS

SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - FUNDS INCLUDED IN THE COMBINED GENERAL
FUND (BUDGET BASIS)

Year Ended June 30, 2019

	Supplemental General		
	Original and Final Budget	Actual	Variance Over (Under)
Revenues and transfers in:			
Taxes:			
In process	\$ 590,617	\$ 198,781	\$ (391,836)
Current	12,070,987	11,583,876	(487,111)
Delinquent	154,873	324,696	169,823
State aid	21,853,721	21,547,031	(306,690)
Transfers from other funds	1,900,000	1,090,940	(809,060)
Total revenues and transfers in	<u>36,570,198</u>	<u>34,745,324</u>	<u>(1,824,874)</u>
Expenditures and transfers out:			
Current:			
Instruction	4,613,558	1,779,141	(2,834,417)
Support services	5,044,030	4,440,629	(603,401)
Community service operations	9,018	-	(9,018)
Transfers out	25,598,394	28,485,183	2,886,789
Budget adjustment to comply with legal max	(560,047)	-	560,047
Total expenditures and transfers out	<u>34,704,953</u>	<u>34,704,953</u>	<u>-</u>
Excess of revenues and transfers in over expenditures and transfers out	1,865,245	40,371	<u>\$ (1,824,874)</u>
Fund balances, beginning of year, budget basis	-	(1,762,915)	
Fund balances, end of year, budget basis	<u>\$ 1,865,245</u>	(1,722,544)	
<u>Reconciliation to GAAP</u>			
Plus receivables at June 30, 2019		1,722,544	
Plus encumbrances outstanding at June 30, 2019		43,887	
Fund balance on the basis of GAAP		<u>\$ 43,887</u>	

(Continued)

TOPEKA PUBLIC SCHOOLS
 UNIFIED SCHOOL DISTRICT NO. 501
 TOPEKA, KANSAS

SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - FUNDS INCLUDED IN THE COMBINED GENERAL
 FUND (BUDGET BASIS)

Year Ended June 30, 2019

	At-Risk 4-Year-Old		
	Original and Final Budget	Actual	Variance Over (Under)
Expenditures:			
Current:			
Instruction	\$ 1,267,376	\$ 1,163,464	\$ (103,912)
Support services	84,169	-	(84,169)
Total expenditures	1,351,545	1,163,464	(188,081)
Other financing sources:			
Transfers in	758,499	1,230,200	471,701
Excess (deficiency) of other financing sources over (under) expenditures	(593,046)	66,736	\$ 659,782
Fund balances, beginning of year, budget basis	593,046	593,046	
Fund balances, end of year, budget basis	\$ -	\$ 659,782	

(Continued)

TOPEKA PUBLIC SCHOOLS
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SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - FUNDS INCLUDED IN THE COMBINED GENERAL
FUND (BUDGET BASIS)

Year Ended June 30, 2019

	At-Risk K-12		
	Original and Final Budget	Actual	Variance Over (Under)
Expenditures:			
Current:			
Instruction	\$ 28,031,503	\$ 25,951,036	\$ (2,080,467)
Support services	546,862	450,563	(96,299)
Total expenditures	<u>28,578,365</u>	<u>26,401,599</u>	<u>(2,176,766)</u>
Other financing sources:			
Transfers in	24,216,334	25,750,595	1,534,261
Deficiency of other financing sources under expenditures	<u>(4,362,031)</u>	<u>(651,004)</u>	<u>\$ 3,711,027</u>
Fund balances, beginning of year, budget basis	<u>4,362,031</u>	<u>4,362,032</u>	
Fund balances, end of year, budget basis	<u>\$ -</u>	<u>3,711,028</u>	
<u>Reconciliation to GAAP</u>			
Plus encumbrances outstanding at June 30, 2019		<u>530</u>	
Fund balance on the basis of GAAP		<u>\$ 3,711,558</u>	

(Continued)

TOPEKA PUBLIC SCHOOLS
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SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - FUNDS INCLUDED IN THE COMBINED GENERAL
FUND (BUDGET BASIS)

Year Ended June 30, 2019

	Bilingual Education		
	Original and Final Budget	Actual	Variance Over (Under)
Expenditures:			
Current:			
Instruction	\$ 3,706,474	\$ 3,268,931	\$ (437,543)
Support services	1,125,537	833,260	(292,277)
Total expenditures	4,832,011	4,102,191	(729,820)
Other financing sources:			
Transfers in	3,605,027	3,799,027	194,000
Deficiency of other financing sources under expenditures	(1,226,984)	(303,164)	\$ 923,820
Fund balances, beginning of year, budget basis	1,226,984	1,226,986	
Fund balances, end of year, budget basis	\$ -	923,822	
<u>Reconciliation to GAAP</u>			
Plus encumbrances outstanding at June 30, 2019		7,088	
Fund balance on the basis of GAAP		\$ 930,910	

(Continued)

TOPEKA PUBLIC SCHOOLS
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SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - FUNDS INCLUDED IN THE COMBINED GENERAL
FUND (BUDGET BASIS)

Year Ended June 30, 2019

	Vocational Education		
	Original and Final Budget	Actual	Variance Over (Under)
Revenues and transfers in:			
Intergovernmental:			
State and local	\$ 13,340	\$ 30,543	\$ 17,203
Transfers from other funds	1,764,916	3,368,868	1,603,952
Total revenues and transfers in	<u>1,778,256</u>	<u>3,399,411</u>	<u>1,621,155</u>
Expenditures:			
Current:			
Instruction	2,311,231	2,384,704	73,473
Support services	603,765	395,255	(208,510)
Total expenditures	<u>2,914,996</u>	<u>2,779,959</u>	<u>(135,037)</u>
Excess (deficiency) of revenues and transfers in over (under) expenditures	(1,136,740)	619,452	<u>\$ 1,756,192</u>
Fund balances, beginning of year, budget basis	1,136,740	1,136,740	
Fund balances, end of year, budget basis	<u>\$ -</u>	<u>1,756,192</u>	
<u>Reconciliation to GAAP</u>			
Plus encumbrances outstanding at June 30, 2019		<u>10,195</u>	
Fund balance on the basis of GAAP		<u>\$ 1,766,387</u>	

(Continued)

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - FUNDS INCLUDED IN THE COMBINED GENERAL
FUND (BUDGET BASIS)

Year Ended June 30, 2019

	Professional Development		
	Original and Final Budget	Actual	Variance Over (Under)
Revenues and transfers in:			
Interest	\$ -	\$ 2,218	\$ 2,218
State Aid	58,566	32,465	(26,101)
Transfers from other funds	57,416	287,492	230,076
Total revenues and transfers in	115,982	322,175	206,193
Expenditures:			
Current:			
Support services	380,642	311,835	(68,807)
Excess (deficiency) of revenues and transfers in over (under) expenditures	(264,660)	10,340	\$ 275,000
Fund balances, beginning of year, budget basis	264,660	264,660	
Fund balances, end of year, budget basis	\$ -	275,000	
<u>Reconciliation to GAAP</u>			
Plus encumbrances outstanding at June 30, 2019		32,305	
Fund balance on the basis of GAAP		\$ 307,305	

(Continued)

TOPEKA PUBLIC SCHOOLS
 UNIFIED SCHOOL DISTRICT NO. 501
 TOPEKA, KANSAS

SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - FUNDS INCLUDED IN THE COMBINED GENERAL
 FUND (BUDGET BASIS)

Year Ended June 30, 2019

	Summer School		
	Original and Final Budget	Actual	Variance Over (Under)
Expenditures:			
Current:			
Instruction	\$ 270,364	\$ 28,017	\$ (242,347)
Support services	34,857	12,781	(22,076)
Total expenditures	305,221	40,798	\$ (264,423)
Fund balances, beginning of year, budget basis	305,221	305,221	
Fund balances, end of year, budget basis	\$ -	264,423	
<u>Reconciliation to GAAP</u>			
Plus encumbrances outstanding at June 30, 2019		80	
Fund balance on the basis of GAAP		\$ 264,503	

(Continued)

TOPEKA PUBLIC SCHOOLS
 UNIFIED SCHOOL DISTRICT NO. 501
 TOPEKA, KANSAS

SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - FUNDS INCLUDED IN THE COMBINED GENERAL
 FUND (BUDGET BASIS)

Year Ended June 30, 2019

	Contingency Reserve		
	Original and Final Budget	Actual	Variance Over (Under)
Other financing sources (uses):			
Transfers in	\$ -	\$ 33,153	\$ 33,153
Transfers out	(1,900,000)	(1,090,940)	(809,060)
Total other financing sources (uses)	(1,900,000)	(1,057,787)	\$ 842,213
Fund balances, beginning of year, budget basis	4,282,787	4,282,788	
Fund balances, end of year, budget basis	\$ 2,382,787	\$ 3,225,001	

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - MAJOR BUDGETED
SPECIAL REVENUE FUND (BUDGET BASIS)

Year Ended June 30, 2019

	Special Education		
	Original and Final Budget	Actual	Variance Over (Under)
Revenues:			
Intergovernmental:			
Federal	\$ 5,410,217	\$ 5,938,594	\$ 528,377
State and local	6,908	-	(6,908)
Total revenues	<u>5,417,125</u>	<u>5,938,594</u>	<u>521,469</u>
Expenditures:			
Current:			
Instruction	26,876,605	24,565,541	(2,311,064)
Support services	13,492,773	12,938,761	(554,012)
Total expenditures	<u>40,369,378</u>	<u>37,504,302</u>	<u>(2,865,076)</u>
Deficiency of revenues under expenditures	(34,952,253)	(31,565,708)	3,386,545
Other financing sources:			
Transfers in	<u>28,814,566</u>	<u>31,314,566</u>	<u>2,500,000</u>
Deficiency of revenues and other financing sources under expenditures	(6,137,687)	(251,142)	<u>\$ 5,886,545</u>
Fund balances, beginning of year, budget basis	<u>6,137,687</u>	<u>6,108,810</u>	
Fund balances, end of year, budget basis	<u>\$ -</u>	<u>5,857,668</u>	
<u>Reconciliation to GAAP</u>			
Plus encumbrances outstanding at June 30, 2019		<u>36,507</u>	
Fund balance on the basis of GAAP		<u>\$ 5,894,175</u>	

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND
RELATED RATIOS - HEALTH INSURANCE

Last Two Fiscal Years¹

	2019	2018
Total OPEB liability:		
Service cost	\$ 1,949,626	\$ 1,983,181
Interest	1,350,820	1,243,268
Net benefits paid by employer	(3,182,243)	(3,528,898)
Changes of assumptions	206,510	(805,343)
Net change in total OPEB liability	324,713	(1,107,792)
Total OPEB liability, beginning	39,770,511	40,878,303
Total OPEB liability, ending	\$ 40,095,224	\$ 39,770,511
Covered payroll	\$ 37,723,726	\$ 38,167,181
District's total OPEB liability as a percentage of covered payroll	106.3%	104.2%

Changes of Assumptions:

1. Discount rate was decreased from 3.45% to 3.36%, based on municipal bond yields as of the measurement date.

¹ GASB 75 requires the presentation of ten years. Data was not available prior to fiscal year 2018; therefore, ten years of data is unavailable.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND
RELATED RATIOS - DISABILITY BENEFITS AND LIFE INSURANCE

Last Two Fiscal Years¹

	2019	2018
Total OPEB liability:		
Service cost	\$ 192,616	\$ 205,058
Interest	87,576	71,333
Changes of assumptions	(137,899)	(84,933)
Benefit payments	(228,454)	(243,290)
Net change in total OPEB liability	(86,161)	(51,832)
Total OPEB liability, beginning	2,366,832	2,418,664
Total OPEB liability, ending	\$ 2,280,671	\$ 2,366,832
Covered payroll	\$ 94,603,689	\$ 92,994,938
District's total OPEB liability as a percentage of covered payroll	2.41%	2.55%

Changes of Assumptions:

1. The discount rate was updated in accordance with the requirements of GASB 75.
2. The mortality projection scale was updated to the most recent table published by the Society of Actuaries.

¹ GASB 75 requires the presentation of ten years. Data was not available prior to fiscal year 2018; therefore, ten years of data is unavailable.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY
KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

Last Six Fiscal Years¹

	2019	2018	2017	2016	2015	2014
District's proportion of the collective net pension liability	2.196999%	2.229486%	2.262925%	2.119396%	2.174282%	2.117605%
District's proportionate share of the collective net pension liability	\$ 143,320,910	\$ 149,798,454	\$ 152,092,568	\$ 146,756,723	\$ 138,934,472	\$ 153,820,765
District's covered payroll	\$ 112,340,308	\$ 102,966,206	\$ 96,737,828	\$ 95,139,490	\$ 86,430,695	\$ 82,671,274
District's proportionate share of the collective net pension liability as a percentage of its covered payroll	128%	145%	157%	154%	161%	186%
Plan fiduciary net position as a percentage of the total pension liability	68.88%	67.12%	65.10%	64.95%	66.60%	59.94%

¹ GASB requires presentation of ten years. Data was not available prior to 2014; therefore, ten years of data is unavailable.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ 6,975,264	\$ 12,643,425	\$ 8,298,120	\$ 8,594,373	\$ 9,585,143	\$ 10,057,121	\$ 8,863,533	\$ 9,979,449	\$ 5,945,869	\$ 7,097,513
Contributions in relation to the contractually required contribution	(6,975,264)	(12,643,425)	(8,298,120)	(8,594,373)	(9,585,143)	(10,057,121)	(8,863,533)	(9,979,449)	(5,945,869)	(7,097,513)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 112,340,308	\$ 102,966,206	\$ 96,737,828	\$ 95,139,490	\$ 86,430,695	\$ 82,671,274	\$ 82,124,120	\$ 80,299,115	\$ 80,163,800	\$ 84,510,646
Contributions as a percentage of covered payroll	6.21%	12.28%	8.58%	9.03%	11.09%	12.17%	10.79%	12.43%	7.42%	8.40%

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2019

1 - General

All budgets are prepared utilizing the modified accrual basis further modified by the encumbrance method of accounting – that is, commitments such as purchase orders and contracts, in addition to disbursements and accounts payable, are recorded as expenditures.

SUPPLEMENTARY INFORMATION

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - MAJOR BUDGETED
CAPITAL PROJECTS FUND (BUDGET BASIS)

Year Ended June 30, 2019

	Capital Outlay		
	Original and Final Budget	Actual	Variance Over (Under)
Revenues:			
Taxes:			
In process	\$ 279,426	\$ 94,056	\$ (185,370)
Current	5,531,398	4,771,123	(760,275)
Delinquent	73,273	135,121	61,848
Interest	420,000	723,427	303,427
Federal aid	-	579,122	579,122
State aid	2,467,191	2,396,744	(70,447)
Other	-	71,659	71,659
Total revenues	<u>8,771,288</u>	<u>8,771,252</u>	<u>(36)</u>
Expenditures:			
Current:			
Instruction	2,405,772	575,616	(1,830,156)
Support services	5,300,000	4,790,631	(509,369)
Facilities acquisition and construction	5,437,794	3,301,328	(2,136,466)
Total expenditures	<u>13,143,566</u>	<u>8,667,575</u>	<u>(4,475,991)</u>
Excess (deficiency) of revenues over (under) expenditures	(4,372,278)	103,677	4,475,955
Other financing sources:			
Sale of capital assets	-	897,082	897,082
Insurance reimbursements	-	25	25
Total other financing sources	<u>-</u>	<u>897,107</u>	<u>897,107</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(4,372,278)	1,000,784	<u>\$ 5,373,062</u>
Fund balances, beginning of year, budget basis	4,372,278	4,108,369	
Fund balances, end of year, budget basis	<u>\$ -</u>	<u>5,109,153</u>	
<u>Reconciliation to GAAP</u>			
Plus encumbrances outstanding at June 30, 2019		<u>4,369,471</u>	
Fund balance on the basis of GAAP		<u>\$ 9,478,624</u>	

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - BUDGETED PROPRIETARY FUND (BUDGET BASIS)

Year Ended June 30, 2019

	Food Service		
	Original and Final Budget	Actual	Variance Over (Under)
Revenues:			
Intergovernmental:			
Federal	\$ 6,750,686	\$ 6,862,065	\$ 111,379
State and local	64,629	74,659	10,030
Interest on idle funds	15,000	20,740	5,740
Other	1,181,855	906,153	(275,702)
Total revenues	<u>8,012,170</u>	<u>7,863,617</u>	<u>(148,553)</u>
Expenditures:			
Current:			
Support services	489,535	654,685	165,150
Noninstructional services	9,576,188	7,837,750	(1,738,438)
Total expenditures	<u>10,065,723</u>	<u>8,492,435</u>	<u>(1,573,288)</u>
Deficiency of revenues under expenditures	(2,053,553)	(628,818)	<u>\$ 1,424,735</u>
Fund balances, beginning of year, budget basis	<u>2,053,553</u>	<u>2,011,027</u>	
Fund balances, end of year, budget basis	<u>\$ -</u>	<u>1,382,209</u>	
<u>Reconciliation to GAAP</u>			
Net adjustment for capitalization of assets		1,100,458	
Less deferred revenue at June 30, 2019		(46,907)	
Plus encumbrances outstanding at June 30, 2019		240,110	
Fund balance on the basis of GAAP		<u>\$ 2,675,870</u>	

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - BOND AND INTEREST FUND (BUDGET BASIS)

Year Ended June 30, 2019

	Bond and Interest		
	Original and Final Budget	Actual	Variance Over (Under)
Revenues:			
Taxes:			
In process	\$ 213,225	\$ 71,804	\$ (141,421)
Current	3,724,925	3,868,920	143,995
Delinquent	55,901	117,120	61,219
Intergovernmental:			
State and local	4,394,466	4,394,466	-
Interest	-	239,284	239,284
Total revenues	<u>8,388,517</u>	<u>8,691,594</u>	<u>303,077</u>
Expenditures subject to budget:			
Debt service:			
Principal	2,505,000	2,505,000	-
Interest and other charges	5,632,900	5,632,900	-
Total expenditures subject to budget	<u>8,137,900</u>	<u>8,137,900</u>	<u>-</u>
Expenditures not subject to budget:			
Debt service	-	226,001	226,001
Total expenditures	<u>8,137,900</u>	<u>8,363,901</u>	<u>226,001</u>
Excess of revenues over expenditures	250,617	327,693	<u>\$ 77,076</u>
Fund balances, beginning of year, budget basis	6,853,147	15,983,694	
Fund balances, end of year, budget basis	<u>\$ 7,103,764</u>	<u>\$ 16,311,387</u>	

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - ALL NONMAJOR BUDGETED FUNDS (BUDGET BASIS)

Year Ended June 30, 2019

	Special Liability		
	Original and Final Budget	Actual	Variance Over (Under)
Revenues:			
Taxes:			
In process	\$ 8,539	\$ 2,877	\$ (5,662)
Current	140,199	141,393	1,194
Delinquent	2,238	4,629	2,391
Interest	-	3,641	3,641
Total revenues	<u>150,976</u>	<u>152,540</u>	<u>1,564</u>
Expenditures and transfers out:			
Current:			
Support services	489,763	254,155	(235,608)
Transfers out	1,418	-	(1,418)
Total expenditures and transfers out	<u>491,181</u>	<u>254,155</u>	<u>(237,026)</u>
Deficiency of revenues under expenditures and transfers out	(340,205)	(101,615)	<u>\$ 238,590</u>
Fund balances, beginning of year, budget basis	<u>349,786</u>	<u>349,786</u>	
Fund balances, end of year, budget basis	<u>\$ 9,581</u>	<u>248,171</u>	
<u>Reconciliation to GAAP</u>			
Plus encumbrances outstanding at June 30, 2019		<u>4,724</u>	
Fund balance on the basis of GAAP		<u>\$ 252,895</u>	

(Continued)

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - ALL NONMAJOR BUDGETED FUNDS (BUDGET BASIS)

Year Ended June 30, 2019

	Adult Basic Education		
	Original and Final Budget	Actual	Variance Over (Under)
Revenues:			
Taxes:			
Current	\$ -	\$ 1	\$ 1
In process	-	3	3
Delinquent	-	628	628
Total revenues	<u>-</u>	<u>632</u>	<u>632</u>
Expenditures:			
Current:			
Instruction	84,122	4,901	(79,221)
Deficiency of revenues under expenditures	(84,122)	(4,269)	<u>\$ 79,853</u>
Fund balances, beginning of year, budget basis	84,122	84,122	
Fund balances, end of year, budget basis	<u>\$ -</u>	<u>\$ 79,853</u>	

(Continued)

TOPEKA PUBLIC SCHOOLS
 UNIFIED SCHOOL DISTRICT NO. 501
 TOPEKA, KANSAS

SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - ALL NONMAJOR BUDGETED FUNDS (BUDGET BASIS)

Year Ended June 30, 2019

	Virtual Education		
	Original and Final Budget	Actual	Variance Over (Under)
Expenditures:			
Current:			
Instruction	\$ 447,479	\$ 67,325	\$ (380,154)
Fund balances, beginning of year, budget basis	447,479	447,479	
Fund balances, end of year, budget basis	\$ -	\$ 380,154	

(Continued)

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - ALL NONMAJOR BUDGETED FUNDS (BUDGET BASIS)

Year Ended June 30, 2019

	Parent Education		
	Original and Final Budget	Actual	Variance Over (Under)
Revenues:			
Intergovernmental:			
State aid	\$ 498,946	\$ 507,129	\$ 8,183
Expenditures:			
Current:			
Support services	986,336	575,981	(410,355)
Deficiency of revenues under expenditures	(487,390)	(68,852)	\$ 418,538
Fund balances, beginning of year, budget basis	487,390	487,390	
Fund balances, end of year, budget basis	\$ -	418,538	
<u>Reconciliation to GAAP</u>			
Plus encumbrances outstanding at June 30, 2019		1,077	
Fund balance on the basis of GAAP		\$ 419,615	

(Continued)

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - ALL NONMAJOR BUDGETED FUNDS (BUDGET BASIS)

Year Ended June 30, 2019

	KPERS Special Retirement Contribution		
	Original and Final Budget	Actual	Variance Over (Under)
	Budget	Actual	(Under)
Revenues:			
State	\$ 17,743,151	\$ 6,975,264	\$ (10,767,887)
Expenditures:			
Current:			
Instruction	11,119,029	-	(11,119,029)
Student support services	1,953,979	-	(1,953,979)
Instructional support staff	695,338	-	(695,338)
General administration	182,359	-	(182,359)
School administration	1,394,838	-	(1,394,838)
Central services	800,857	-	(800,857)
Operations and maintenance	988,417	-	(988,417)
Transportation	88,171	-	(88,171)
Enterprise operations	520,163	-	(520,163)
On-behalf expenditures - KPERS	-	6,975,264	6,975,264
Total expenditures	17,743,151	6,975,264	(10,767,887)
Excess of revenues over expenditures	-	-	\$ -
Fund balances, beginning of year, budget basis	-	-	
Fund balances, end of year, budget basis	\$ -	\$ -	

(Continued)

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - ALL NONMAJOR BUDGETED FUNDS (BUDGET BASIS)

Year Ended June 30, 2019

	Gifts and Grants		
	Original and Final Budget	Actual	Variance Over (Under)
Revenues:			
Local	\$ 162,091	\$ 1,038,044	\$ 875,953
State	1,125,760	1,005,581	(120,179)
Interest	-	14,032	14,032
Charges for services	400,854	395,242	(5,612)
Miscellaneous	1,461,984	85,496	(1,376,488)
Total revenues	<u>3,150,689</u>	<u>2,538,395</u>	<u>(612,294)</u>
Expenditures:			
Current:			
Instruction	1,445,110	589,062	(856,048)
Student support services	1,524,604	1,401,437	(123,167)
Instructional support staff	238,146	1,760	(236,386)
General administration	28,748	20,809	(7,939)
School administration	106,185	(1,277)	(107,462)
Central services	107,954	-	(107,954)
Supplemental services central	-	53,155	53,155
Support services business	-	16,938	16,938
Operations and maintenance	45,733	795,140	749,407
Transportation	1,100	-	(1,100)
Enterprise operations	482,156	304,430	(177,726)
Site improvements	-	119,349	119,349
Community service operations	131,745	-	(131,745)
Total expenditures	<u>4,111,481</u>	<u>3,300,803</u>	<u>(810,678)</u>
Deficiency of revenues under expenditures	(960,792)	(762,408)	\$ 198,384
Fund balances, beginning of year, budget basis	960,792	658,927	
Fund balances, end of year, budget basis	<u>\$ -</u>	<u>\$ (103,481)</u>	

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - FEDERAL GRANT FUNDS (BUDGET BASIS)

Year Ended June 30, 2019

	Federal Grants		
	Original and Final Budget	Actual	Variance Over (Under)
Revenues:			
Intergovernmental:			
Federal	\$ 17,732,620	\$ 13,035,892	\$ (4,696,728)
Expenditures			
Current:			
Instruction	10,696,417	8,695,533	(2,000,884)
Support services	7,050,609	3,209,325	(3,841,284)
Noninstructional services	-	176,638	176,638
Total expenditures	17,747,026	12,081,496	(5,665,530)
Excess (deficiency) of revenue over (under) expenditures	(14,406)	954,396	\$ 968,802
Fund balances, beginning of year, budget basis	14,406	(1,904,822)	
Fund balances, end of year, budget basis	\$ -	\$ (950,426)	

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

Year Ended June 30, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<u>Senior High Schools</u>				
Athletic Support Groups:				
Highland Park	\$ 3,780	\$ 7,884	\$ 8,607	\$ 3,057
Topeka High	17,916	18,044	31,307	4,653
Topeka West	19,139	35,895	25,716	29,318
	<u>40,835</u>	<u>61,823</u>	<u>65,630</u>	<u>37,028</u>
Graduating Classes:				
Highland Park	2,263	3,059	2,272	3,050
Topeka High	10,486	5,315	7,702	8,099
Topeka West	23,106	9,478	18,439	14,145
	<u>35,855</u>	<u>17,852</u>	<u>28,413</u>	<u>25,294</u>
Clubs and Organizations:				
Highland Park	17,753	20,040	25,988	11,805
Topeka High	68,382	89,132	82,277	75,237
Topeka West	17,494	17,101	13,261	21,334
	<u>103,629</u>	<u>126,273</u>	<u>121,526</u>	<u>108,376</u>
Miscellaneous Fund Raisers:				
Highland Park	8,448	4,976	766	12,658
Topeka High	18,527	329	335	18,521
Topeka West	5,401	1,547	1,067	5,881
	<u>32,376</u>	<u>6,852</u>	<u>2,168</u>	<u>37,060</u>
Performing Arts:				
Highland Park	9,077	11,134	11,204	9,007
Topeka High	18,220	42,683	36,216	24,687
Topeka West	20,496	41,708	31,666	30,538
	<u>47,793</u>	<u>95,525</u>	<u>79,086</u>	<u>64,232</u>
Scholarships and Memorials:				
Highland Park	8,348	7,219	4,099	11,468
Topeka High	29,921	7,711	5,955	31,677
Topeka West	33,701	20,061	21,604	32,158
	<u>71,970</u>	<u>34,991</u>	<u>31,658</u>	<u>75,303</u>
Total Senior High Schools	<u>\$ 332,458</u>	<u>\$ 343,316</u>	<u>\$ 328,481</u>	<u>\$ 347,293</u>

(Continued)

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

Year Ended June 30, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<u>Middle Schools</u>				
Clubs and Organizations:				
Chase	\$ 2,323	\$ 6,034	\$ 4,525	\$ 3,832
Eisenhower	5,528	7,184	10,652	2,060
French	2,797	7,398	5,845	4,350
Jardine	1,746	4,069	2,807	3,008
Landon	1,006	2,822	1,529	2,299
Robinson	1,084	2,233	2,575	742
	<u>14,484</u>	<u>29,740</u>	<u>27,933</u>	<u>16,291</u>
Graduating Classes:				
Chase	819	1,020	1,486	353
French	1,000	4,358	4,411	947
Jardine	559	-	-	559
Landon	477	4,424	4,901	-
Robinson	659	3,267	3,898	28
	<u>3,514</u>	<u>13,069</u>	<u>14,696</u>	<u>1,887</u>
Miscellaneous Fund Raisers:				
Chase	1,996	8,539	7,023	3,512
Eisenhower	697	-	68	629
Jardine	14,177	5,931	7,908	12,200
Landon	15,010	8,644	8,745	14,909
Robinson	374	1,844	1,902	316
	<u>32,254</u>	<u>24,958</u>	<u>25,646</u>	<u>31,566</u>
Performing Arts:				
Chase	1,126	698	576	1,248
Eisenhower	1,082	3,155	1,837	2,400
French	4,277	3,521	4,003	3,795
Jardine	13,903	6,903	4,327	16,479
Landon	3,240	3,517	1,206	5,551
Robinson	2,086	2,654	2,125	2,615
	<u>25,714</u>	<u>20,448</u>	<u>14,074</u>	<u>32,088</u>
Total Middle Schools	<u>\$ 75,966</u>	<u>\$ 88,215</u>	<u>\$ 82,349</u>	<u>\$ 81,832</u>

(Continued)

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

Year Ended June 30, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<u>Elementary Schools</u>				
Clubs and Organizations:				
Jardine	\$ 639	\$ 413	\$ 325	\$ 727
Lowman Hill	500	222	69	653
McEachron	1,796	9,353	10,698	451
Meadows	383	1,585	1,191	777
Ross	1,659	-	1,579	80
Scott	179	-	-	179
Whitson	1,195	-	286	909
	<u>6,351</u>	<u>11,573</u>	<u>14,148</u>	<u>3,776</u>
Graduating Class:				
Lowman Hill	4,418	2,458	2,445	4,431
Meadows	38	1,659	400	1,297
Ross	78	-	-	78
Scott	4,795	1,206	3,133	2,868
Whitson	1,091	-	-	1,091
Williams	78	-	43	35
	<u>10,498</u>	<u>5,323</u>	<u>6,021</u>	<u>9,800</u>
Miscellaneous Fund Raisers:				
Highland Park Central	7,057	1,312	3,265	5,104
Jardine	4,009	13,765	11,872	5,902
Lowman Hill	2,774	725	535	2,964
McCarter	22,551	1,213	-	23,764
McClure	581	2,742	3,044	279
McEachron	4,584	5,575	4,549	5,610
Meadows	637	-	637	-
Quincy	4,653	1,180	1,009	4,824
Randolph	2,860	2,084	3,944	1,000
Ross	4,620	1,199	4,662	1,157
Scott	1,725	1,957	969	2,713
State Street	547	-	114	433
Stout	3,481	441	619	3,303
Whitson	649	1,109	1,595	163
Williams	1,331	959	715	1,575
	<u>62,059</u>	<u>34,261</u>	<u>37,529</u>	<u>58,791</u>
Subtotals forward	<u>\$ 78,908</u>	<u>\$ 51,157</u>	<u>\$ 57,698</u>	<u>\$ 72,367</u>

(Continued)

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

Year Ended June 30, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
Subtotals forward	\$ 78,908	\$ 51,157	\$ 57,698	\$ 72,367
Scholarships and Memorials:				
McClure	23	-	22	1
McEachron	20	25	-	45
Quincy	1,672	-	-	1,672
Randolph	6,768	-	-	6,768
Ross	91	-	73	18
State Street	2,327	2,250	1,726	2,851
Stout	250	-	-	250
Whitson	41	-	-	41
	<u>11,192</u>	<u>2,275</u>	<u>1,821</u>	<u>11,646</u>
Total Elementary Schools	<u>\$ 90,100</u>	<u>\$ 53,432</u>	<u>\$ 59,519</u>	<u>\$ 84,013</u>
<u>Other Locations</u>				
Clubs and Organizations:				
Capital City	\$ -	\$ 516	\$ 299	\$ 217
Hope Street Academy	1,474	576	68	1,982
	<u>1,474</u>	<u>1,092</u>	<u>367</u>	<u>2,199</u>
Miscellaneous Fund Raisers:				
Capital City	345	173	271	247
Hope Street Academy	201	312	403	110
Sheldon Head Start	774	449	305	918
	<u>1,320</u>	<u>934</u>	<u>979</u>	<u>1,275</u>
Scholarships and Memorials:				
Capital City	732	2,619	2,424	927
Hope Street Academy	5,725	1,000	1,575	5,150
Sheldon Head Start	783	-	-	783
	<u>7,240</u>	<u>3,619</u>	<u>3,999</u>	<u>6,860</u>
Total Other Locations	<u>\$ 10,034</u>	<u>\$ 5,645</u>	<u>\$ 5,345</u>	<u>\$ 10,334</u>
Total - all schools:				
Assets:				
Cash	<u>\$ 508,558</u>	<u>\$ 490,608</u>	<u>\$ 475,694</u>	<u>\$ 523,472</u>
Liabilities:				
Due to student organizations	<u>\$ 508,558</u>	<u>\$ 490,608</u>	<u>\$ 475,694</u>	<u>\$ 523,472</u>

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

COMBINING BALANCE SHEET
GENERAL FUND

June 30, 2019

	General	Supplemental General
<u>ASSETS</u>		
Cash and investments	\$ (1,351,156)	\$ (1,678,657)
State aid receivables	4,825,921	1,722,544
Inventory of materials and supplies	43,641	-
Total assets	\$ 3,518,406	\$ 43,887
<u>LIABILITIES AND FUND BALANCES</u>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 3,001,097	\$ -
Payroll liabilities	-	-
Total liabilities	3,001,097	-
Fund balances:		
Nonspendable:		
Inventories	43,641	-
Assigned	473,668	43,887
Unassigned	-	-
Total fund balances	517,309	43,887
Total liabilities and fund balances	\$ 3,518,406	\$ 43,887

(Continued)

<u>At-Risk 4-Year-Old</u>	<u>At-Risk K-12</u>	<u>Bilingual Education</u>	<u>Vocational Education</u>	<u>Professional Development</u>	<u>Summer School</u>
\$ 730,819	\$ 5,848,254	\$ 1,329,675	\$ 1,957,245	\$ 315,431	\$ 264,503
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 730,819</u>	<u>\$ 5,848,254</u>	<u>\$ 1,329,675</u>	<u>\$ 1,957,245</u>	<u>\$ 315,431</u>	<u>\$ 264,503</u>
\$ 71,037	\$ 2,136,696	\$ 398,765	\$ 190,858	\$ 8,126	\$ -
-	-	-	-	-	-
71,037	2,136,696	398,765	190,858	8,126	-
-	-	-	-	-	-
659,782	3,711,558	930,910	1,766,387	307,305	264,503
-	-	-	-	-	-
659,782	3,711,558	930,910	1,766,387	307,305	264,503
<u>\$ 730,819</u>	<u>\$ 5,848,254</u>	<u>\$ 1,329,675</u>	<u>\$ 1,957,245</u>	<u>\$ 315,431</u>	<u>\$ 264,503</u>

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

COMBINING BALANCE SHEET
GENERAL FUND
(Continued)

June 30, 2019

	Pepsi Exclusivity	Internal Service Reserve
<u>ASSETS</u>		
Cash and investments	\$ 107,533	\$ 8,126
State aid receivables	-	-
Inventory of materials and supplies	-	-
	<u>\$ 107,533</u>	<u>\$ 8,126</u>
<u>LIABILITIES AND FUND BALANCES</u>		
Liabilities:		
Accounts payable and accrued liabilities	\$ -	\$ -
Payroll liabilities	-	8,126
	<u>-</u>	<u>8,126</u>
Fund balances:		
Nonspendable:		
Inventories	-	-
Assigned	681	-
Unassigned	106,852	-
	<u>107,533</u>	<u>-</u>
Total fund balances	<u>107,533</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 107,533</u>	<u>\$ 8,126</u>

<u>Sports Park Operations</u>	<u>Payroll Liability Clearing</u>	<u>Self-Insurance Reserve</u>	<u>Risk Management</u>	<u>Contingency Reserve</u>	<u>Total General Fund</u>
\$ 820,924	\$ 7,830,706	\$ 884,628	\$ 930,337	\$ 3,225,001	\$ 21,223,369
-	-	-	-	-	6,548,465
-	-	-	-	-	43,641
<u>\$ 820,924</u>	<u>\$ 7,830,706</u>	<u>\$ 884,628</u>	<u>\$ 930,337</u>	<u>\$ 3,225,001</u>	<u>\$ 27,815,475</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,806,579
-	7,830,706	-	-	-	7,838,832
-	7,830,706	-	-	-	13,645,411
-	-	-	-	-	43,641
820,924	-	884,628	930,337	-	10,794,570
-	-	-	-	3,225,001	3,331,853
<u>820,924</u>	<u>-</u>	<u>884,628</u>	<u>930,337</u>	<u>3,225,001</u>	<u>14,170,064</u>
<u>\$ 820,924</u>	<u>\$ 7,830,706</u>	<u>\$ 884,628</u>	<u>\$ 930,337</u>	<u>\$ 3,225,001</u>	<u>\$ 27,815,475</u>

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GENERAL FUND

Year Ended June 30, 2019

	General	Supplemental General
Revenues:		
Property taxes	\$ -	\$ 12,107,353
Local sources	-	-
Charges for services	-	-
State aid	81,820,608	21,506,659
Interest	-	-
Miscellaneous	378,035	-
	82,198,643	33,614,012
Total revenues		
Expenditures:		
Instruction	24,911,785	1,783,938
Student support	5,120,214	109,293
Instructional support	2,936,929	54,105
General administration	1,358,937	805,739
School administration	9,144,203	229,077
Business support	1,603,182	105,686
Operations and maintenance	9,852,931	2,119,594
Transportation	3,065,726	-
Central support services	4,047,789	983,608
Other support	1,672	9,274
Student activities	(114,500)	918
Site improvement	5,041	-
	61,933,909	6,201,232
Total expenditures		
Excess (deficiency) of revenues over (under) expenditures	20,264,734	27,412,780
Other financing sources (uses):		
Transfers in	-	1,090,940
Transfers out	(20,836,520)	(28,485,183)
	(20,836,520)	(27,394,243)
Total other financing sources (uses)		
Net change in fund balances	(571,786)	18,537
Fund balance, beginning of year	1,089,095	25,350
Fund balance, end of year	\$ 517,309	\$ 43,887

(Continued)

At-Risk 4-Year-Old	At-Risk K-12	Bilingual Education	Vocational Education	Professional Development	Summer School
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	30,543	32,465	-
-	-	-	-	2,218	-
-	-	-	-	-	-
-	-	-	30,543	34,683	-
1,170,554	25,950,506	3,270,677	2,387,082	-	27,937
-	4,331	50,345	-	-	-
-	-	-	48,537	383,972	-
-	-	-	-	-	-
-	446,232	47,723	282,138	-	12,781
-	-	-	-	-	-
-	-	8,377	77,089	-	-
-	-	726,813	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,170,554	26,401,069	4,103,935	2,794,846	383,972	40,718
(1,170,554)	(26,401,069)	(4,103,935)	(2,764,303)	(349,289)	(40,718)
1,230,200	25,750,595	3,799,027	3,368,868	287,492	-
-	-	-	-	-	-
1,230,200	25,750,595	3,799,027	3,368,868	287,492	-
59,646	(650,474)	(304,908)	604,565	(61,797)	(40,718)
600,136	4,362,032	1,235,818	1,161,822	369,102	305,221
\$ 659,782	\$ 3,711,558	\$ 930,910	\$ 1,766,387	\$ 307,305	\$ 264,503

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GENERAL FUND
(Continued)

Year Ended June 30, 2019

	Pepsi Exclusivity	Internal Service Reserve	Sports Park Operations
Revenues:			
Property taxes	\$ -	\$ -	\$ -
Local sources	25,000	-	-
Charges for services	23,250	-	298,385
State aid	-	-	-
Interest	1,587	-	10,190
Miscellaneous	21,596	-	63,900
	<hr/>	<hr/>	<hr/>
Total revenues	71,433	-	372,475
	<hr/>	<hr/>	<hr/>
Expenditures:			
Instruction	21,324	-	(250)
Student support	919	-	-
Instructional support	160	-	-
General administration	20,549	-	-
School administration	-	-	(2,454)
Business support	2,472	-	16,970
Operations and maintenance	-	-	30,175
Transportation	-	-	-
Central support services	-	-	-
Other support	-	-	182,073
Student activities	3,719	-	-
Site improvement	-	-	147,146
	<hr/>	<hr/>	<hr/>
Total expenditures	49,143	-	373,660
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	22,290	-	(1,185)
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-
	<hr/>	<hr/>	<hr/>
Net change in fund balances	22,290	-	(1,185)
Fund balance, beginning of year	85,243	-	822,109
	<hr/>	<hr/>	<hr/>
Fund balance, end of year	\$ 107,533	\$ -	\$ 820,924
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Payroll Liability Clearing	Self-Insurance Reserve	Risk Management	Contingency Reserve	Eliminations	Total General Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,107,353
-	-	-	-	-	25,000
-	-	-	-	-	321,635
-	-	-	-	-	103,390,275
-	11,948	11,522	-	-	37,465
-	43,152	-	-	-	506,683
-	55,100	11,522	-	-	116,388,411
-	-	10,828	-	-	59,534,381
-	-	180	-	-	5,285,282
-	-	-	-	-	3,423,703
-	-	563	-	-	2,185,788
-	-	-	-	-	10,159,700
-	41,493	(1,100)	-	-	1,768,703
-	46,754	3,428	-	-	12,138,348
-	17,267	-	-	-	3,809,806
-	-	(111,676)	-	-	4,919,721
-	-	-	-	-	193,019
-	-	-	-	-	(109,863)
-	-	-	-	-	152,187
-	105,514	(97,777)	-	-	103,460,775
-	(50,414)	109,299	-	-	12,927,636
-	-	-	33,153	(35,560,275)	-
-	-	-	(1,090,940)	35,560,275	(14,852,368)
-	-	-	(1,057,787)	-	(14,852,368)
-	(50,414)	109,299	(1,057,787)	-	(1,924,732)
-	935,042	821,038	4,282,788	-	16,094,796
\$ -	\$ 884,628	\$ 930,337	\$ 3,225,001	\$ -	\$ 14,170,064

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS

June 30, 2019

	Adult Basic Education	Virtual Education	Parent Education
<u>ASSETS</u>			
Cash and investments	\$ 79,853	\$ 383,572	\$ 419,615
Due from other governmental units	-	-	-
Total assets	\$ 79,853	\$ 383,572	\$ 419,615
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable and accrued liabilities	\$ -	\$ 3,418	\$ -
Unearned revenue	-	-	-
Total liabilities	-	3,418	-
Fund balances:			
Restricted	-	-	-
Assigned	79,853	380,154	419,615
Total fund balances	79,853	380,154	419,615
Total liabilities and fund balances	\$ 79,853	\$ 383,572	\$ 419,615

(Continued)

Special Liability	KPERs Special Retirement Contribution	USDE Direct	US HHS Direct	Department of Corrections Pass Through	TANF
\$ 252,895	\$ -	\$ 2,895	\$ 13,832	\$ -	\$ (45,537)
-	-	3,022	140,572	-	61,593
<u>\$ 252,895</u>	<u>\$ -</u>	<u>\$ 5,917</u>	<u>\$ 154,404</u>	<u>\$ -</u>	<u>\$ 16,056</u>
\$ -	\$ -	\$ 5,917	\$ 154,404	\$ -	\$ 16,056
-	-	-	-	-	-
-	-	5,917	154,404	-	16,056
4,453	-	-	-	-	-
248,442	-	-	-	-	-
252,895	-	-	-	-	-
<u>\$ 252,895</u>	<u>\$ -</u>	<u>\$ 5,917</u>	<u>\$ 154,404</u>	<u>\$ -</u>	<u>\$ 16,056</u>

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
(Continued)

June 30, 2019

	Workforce Investment	Kansas Miscellaneous Other Grants	Miscellaneous Other Grants
<u>ASSETS</u>			
Cash and investments	\$ (17,630)	\$ 111,370	\$ 10,966
Due from other governmental units	29,734	-	163,367
Total assets	\$ 12,104	\$ 111,370	\$ 174,333
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 12,104	\$ 13,009	\$ 57,475
Unearned revenue	-	98,361	116,858
Total liabilities	12,104	111,370	174,333
Fund balances:			
Restricted	-	-	-
Assigned	-	-	-
Total fund balances	-	-	-
Total liabilities and fund balances	\$ 12,104	\$ 111,370	\$ 174,333

<u>Federal Program Overhead</u>	<u>Trust Gift Legacy</u>	<u>High School Activity</u>	<u>Middle School Activity</u>	<u>Elementary School Activity</u>	<u>Other Locations Activity</u>	<u>Total Other Governmental Funds</u>
\$ 1,470,944	\$ 175,996	\$ 609,938	\$ 124,113	\$ 200,878	\$ 75,294	\$ 3,868,994
-	-	-	-	-	-	398,288
<u>\$ 1,470,944</u>	<u>\$ 175,996</u>	<u>\$ 609,938</u>	<u>\$ 124,113</u>	<u>\$ 200,878</u>	<u>\$ 75,294</u>	<u>\$ 4,267,282</u>
\$ 6,665	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 269,048
-	-	-	-	-	-	215,219
<u>6,665</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>484,267</u>
1,464,279	175,996	609,938	124,113	200,878	75,294	2,654,951
-	-	-	-	-	-	1,128,064
<u>1,464,279</u>	<u>175,996</u>	<u>609,938</u>	<u>124,113</u>	<u>200,878</u>	<u>75,294</u>	<u>3,783,015</u>
<u>\$ 1,470,944</u>	<u>\$ 175,996</u>	<u>\$ 609,938</u>	<u>\$ 124,113</u>	<u>\$ 200,878</u>	<u>\$ 75,294</u>	<u>\$ 4,267,282</u>

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS

Year Ended June 30, 2019

	Adult Basic Education	Virtual Education
Revenues:		
Property taxes	\$ 632	\$ -
Local sources	-	-
Charges for services	-	-
State aid	-	-
Federal aid	-	-
Interest	-	-
	<hr/>	<hr/>
Total revenues	632	-
	<hr/>	<hr/>
Expenditures:		
Instruction	4,901	67,325
Student support	-	-
Instructional support	-	-
General administration	-	-
School administration	-	-
Business support	-	-
Operations and maintenance	-	-
Central support services	-	-
Student activities	-	-
Site improvement	-	-
On behalf expenditures:		
KPERs	-	-
	<hr/>	<hr/>
Total expenditures	4,901	67,325
	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(4,269)	(67,325)
	<hr/>	<hr/>
Fund balance, beginning of year	84,122	447,479
	<hr/>	<hr/>
Fund balance, end of year	\$ 79,853	\$ 380,154
	<hr/> <hr/>	<hr/> <hr/>

(Continued)

Parent Education	Special Liability	KPERS Special Retirement Contribution	USDE Direct	US HHS Direct	Department of Corrections Pass Through	TANF	Workforce Investment
\$ -	\$ 148,899	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
507,129	-	6,975,264	-	-	-	-	-
-	-	-	279,504	2,415,608	(2,802)	221,960	216,617
-	3,641	-	-	-	-	-	-
<u>507,129</u>	<u>152,540</u>	<u>6,975,264</u>	<u>279,504</u>	<u>2,415,608</u>	<u>(2,802)</u>	<u>221,960</u>	<u>216,617</u>
-	-	-	145,055	2,128,910	-	190,820	216,617
599,162	-	-	131,056	286,698	(2,802)	31,140	-
11,953	-	-	-	-	-	-	-
-	249,431	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
23,285	-	-	3,393	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	6,975,264	-	-	-	-	-
<u>634,400</u>	<u>249,431</u>	<u>6,975,264</u>	<u>279,504</u>	<u>2,415,608</u>	<u>(2,802)</u>	<u>221,960</u>	<u>216,617</u>
(127,271)	(96,891)	-	-	-	-	-	-
<u>546,886</u>	<u>349,786</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 419,615</u>	<u>\$ 252,895</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS
(Continued)

Year Ended June 30, 2019

	Kansas Miscellaneous Other Grants	Miscellaneous Other Grants	Federal Program Overhead
Revenues:			
Property taxes	\$ -	\$ -	\$ -
Local sources	1,079,119	939,506	-
Charges for services	-	-	-
State aid	-	-	-
Federal aid	-	-	685,509
Interest	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	1,079,119	939,506	685,509
	<hr/>	<hr/>	<hr/>
Expenditures:			
Instruction	79,117	488,871	85,665
Student support	999,327	397,052	-
Instructional support	-	-	-
General administration	-	-	67,172
School administration	-	-	92,026
Business support	-	-	671,143
Operations and maintenance	-	-	-
Central support services	675	52,480	229,735
Student activities	-	-	-
Site improvement	-	1,103	-
On behalf expenditures:			
KPERs	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	1,079,119	939,506	1,145,741
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	-	-	(460,232)
Fund balance, beginning of year	-	-	1,924,511
	<hr/>	<hr/>	<hr/>
Fund balance, end of year	\$ -	\$ -	\$ 1,464,279
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Schedule 16, (Con't.)

Trust Gift Legacy	High School Activity	Middle School Activity	Elementary School Activity	Other Locations Activity	Total Other Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 149,531
-	-	-	-	-	2,018,625
-	518,815	98,546	235,382	44,384	897,127
-	-	-	-	-	7,482,393
-	-	-	-	-	3,816,396
2,255	-	-	-	-	5,896
<u>2,255</u>	<u>518,815</u>	<u>98,546</u>	<u>235,382</u>	<u>44,384</u>	<u>14,369,968</u>
-	-	-	-	-	3,407,281
-	-	-	-	-	2,441,633
1,600	-	-	-	-	13,553
-	-	-	-	-	316,603
-	-	-	-	-	92,026
-	-	-	-	-	671,143
-	-	-	-	-	26,678
-	-	-	-	-	282,890
-	488,784	98,976	180,644	39,887	808,291
-	-	-	-	-	1,103
-	-	-	-	-	6,975,264
<u>1,600</u>	<u>488,784</u>	<u>98,976</u>	<u>180,644</u>	<u>39,887</u>	<u>15,036,465</u>
655	30,031	(430)	54,738	4,497	(666,497)
<u>175,341</u>	<u>579,907</u>	<u>124,543</u>	<u>146,140</u>	<u>70,797</u>	<u>4,449,512</u>
<u>\$ 175,996</u>	<u>\$ 609,938</u>	<u>\$ 124,113</u>	<u>\$ 200,878</u>	<u>\$ 75,294</u>	<u>\$ 3,783,015</u>

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

COMBINING BALANCE SHEET
NONMAJOR PROPRIETARY FUNDS

June 30, 2019

	<u>Textbook/Study Material Revolving</u>
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 2,754,938
Inventory of supplies and materials, at cost	325,114
Total current assets	<u>3,080,052</u>
Noncurrent assets:	
Furniture, fixtures, and equipment	-
Less accumulated depreciation	-
Total noncurrent assets	<u>-</u>
Total assets	<u>\$ 3,080,052</u>
<u>LIABILITIES AND NET POSITION</u>	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 166,713
Unearned revenue	-
Total liabilities	<u>166,713</u>
Net position:	
Investment in capital assets	-
Unrestricted	2,913,339
Total net position	<u>2,913,339</u>
Total liabilities and net position	<u>\$ 3,080,052</u>

<u>Food Service</u>	<u>Meals on Wheels</u>	<u>Kanza Café</u>	<u>Total Nonmajor Proprietary Funds</u>
\$ 1,719,385	\$ -	\$ -	\$ 4,474,323
-	-	-	325,114
<u>1,719,385</u>	<u>-</u>	<u>-</u>	<u>4,799,437</u>
3,481,876	-	14,547	3,496,423
<u>(2,381,418)</u>	<u>-</u>	<u>(9,183)</u>	<u>(2,390,601)</u>
<u>1,100,458</u>	<u>-</u>	<u>5,364</u>	<u>1,105,822</u>
<u>\$ 2,819,843</u>	<u>\$ -</u>	<u>\$ 5,364</u>	<u>\$ 5,905,259</u>
\$ 97,066	\$ -	\$ -	\$ 263,779
<u>46,907</u>	<u>-</u>	<u>-</u>	<u>46,907</u>
<u>143,973</u>	<u>-</u>	<u>-</u>	<u>310,686</u>
1,100,458	-	5,364	1,105,822
<u>1,575,412</u>	<u>-</u>	<u>-</u>	<u>4,488,751</u>
<u>2,675,870</u>	<u>-</u>	<u>5,364</u>	<u>5,594,573</u>
<u>\$ 2,819,843</u>	<u>\$ -</u>	<u>\$ 5,364</u>	<u>\$ 5,905,259</u>

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN NET POSITION
NONMAJOR PROPRIETARY FUNDS

Year Ended June 30, 2019

	Textbook/Study Material Revolving
Operating revenues:	
Charges for services	\$ 267,950
Operating expenses:	
Instruction	921,686
Instructional support staff	2,201
Student support services	-
Business support	(9,447)
Operations and maintenance	-
Depreciation	-
Food service	-
Other	3,560
Total operating expenses	918,000
Operating loss	(650,050)
Nonoperating revenues:	
Interest	29,124
State grants	-
Federal grants	-
Total nonoperating revenues	29,124
Income (loss) before transfers	(620,926)
Transfers in	466,847
Change in net position	(154,079)
Net position, beginning of year	3,067,418
Net position, end of year	\$ 2,913,339

Food Service	Meals on Wheels	Kanza Café	Total Nonmajor Proprietary Funds
\$ 906,153	\$ 73,607	\$ -	\$ 1,247,710
-	-	-	921,686
-	-	-	2,201
3,732	-	-	3,732
154,432	(2,504)	-	142,481
258,404	8,465	-	266,869
97,332	-	1,455	98,787
8,143,932	113,200	-	8,257,132
104,314	-	3	107,877
8,762,146	119,161	1,458	9,800,765
(7,855,993)	(45,554)	(1,458)	(8,553,055)
20,740	-	-	49,864
74,659	-	-	74,659
6,862,065	-	-	6,862,065
6,957,464	-	-	6,986,588
(898,529)	(45,554)	(1,458)	(1,566,467)
-	-	-	466,847
(898,529)	(45,554)	(1,458)	(1,099,620)
3,574,399	45,554	6,822	6,694,193
\$ 2,675,870	\$ -	\$ 5,364	\$ 5,594,573

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS

Year Ended June 30, 2019

	<u>Textbook/Study Material Revolving</u>
Cash flows from operating activities:	
Received from user charges	\$ 267,950
Payments to employees for services	(1,680)
Payments to suppliers for goods and services	(1,122,207)
Net cash from operating activities	<u>(855,937)</u>
Cash flows from noncapital financing activities:	
Transfers from other funds	466,847
Nonoperating grants received	-
Net cash from noncapital financing activities	<u>466,847</u>
Cash flows from capital and related financing activities:	
Purchase of capital assets	-
Cash flows from investing activities:	
Interest received	29,124
Net change in cash and cash equivalents	(359,966)
Cash and investments, beginning	<u>3,114,904</u>
Cash and investments, ending	<u>\$ 2,754,938</u>
Reconciliation of operating loss to net cash from operating activities:	
Operating loss	\$ (650,050)
Adjustments to reconcile operating loss to net cash from operating activities:	
Depreciation	-
Changes in assets and liabilities:	
Inventory of supplies	(11,890)
Accounts payable	(193,997)
Net cash from operating activities	<u>\$ (855,937)</u>

Food Service	Meals on Wheels	Kanza Café	Total Nonmajor Proprietary Funds
\$ 906,153	\$ 73,607	\$ -	\$ 1,247,710
(3,277,081)	(44,302)	-	(3,323,063)
(5,322,520)	(74,859)	(3)	(6,519,589)
(7,693,448)	(45,554)	(3)	(8,594,942)
-	-	-	466,847
6,910,923	-	-	6,910,923
6,910,923	-	-	7,377,770
(422,554)	-	-	(422,554)
20,740	-	-	49,864
(1,184,339)	(45,554)	(3)	(1,589,862)
2,903,724	45,554	3	6,064,185
\$ 1,719,385	\$ -	\$ -	\$ 4,474,323
\$ (7,855,993)	\$ (45,554)	\$ (1,458)	\$ (8,553,055)
97,332	-	1,455	98,787
21,531	-	-	9,641
43,682	-	-	(150,315)
\$ (7,693,448)	\$ (45,554)	\$ (3)	\$ (8,594,942)

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS

June 30, 2019

	Dental Self-Insurance	Flex 125 Spending	Workers' Compensation	Total Internal Service Funds
<u>ASSETS</u>				
Cash and investments	\$ 1,139,858	\$ 345,185	\$ 3,183,435	\$ 4,668,478
<u>LIABILITIES AND NET POSITION</u>				
Liabilities:				
Estimated insurance claims	\$ -	\$ -	\$ 779,701	\$ 779,701
Net position:				
Unrestricted	1,139,858	345,185	2,403,734	3,888,777
Total liabilities and net position	\$ 1,139,858	\$ 345,185	\$ 3,183,435	\$ 4,668,478

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN NET POSITION - INTERNAL SERVICE FUNDS

Year Ended June 30, 2019

	Dental Self-Insurance	Flex 125 Spending	Workers' Compensation	Total Internal Service Funds
Operating revenues:				
Charges for services	\$ 734,858	\$ 812,716	\$ 1,251,100	\$ 2,798,674
Other	-	1,237	1,981	3,218
Total operating revenues	<u>734,858</u>	<u>813,953</u>	<u>1,253,081</u>	<u>2,801,892</u>
Operating expenses:				
Student support services	-	-	16,298	16,298
Business support	-	755,400	237,144	992,544
Central support services	773,879	-	588,462	1,362,341
Total operating expenses	<u>773,879</u>	<u>755,400</u>	<u>841,904</u>	<u>2,371,183</u>
Operating income (loss)	(39,021)	58,553	411,177	430,709
Nonoperating revenues:				
Interest	25,735	3,873	63,504	93,112
Change in net position	(13,286)	62,426	474,681	523,821
Net position, beginning of year	<u>1,153,144</u>	<u>282,759</u>	<u>1,929,053</u>	<u>3,364,956</u>
Net position, end of year	<u>\$ 1,139,858</u>	<u>\$ 345,185</u>	<u>\$ 2,403,734</u>	<u>\$ 3,888,777</u>

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

Year Ended June 30, 2019

	Dental Self-Insurance	Flex 125 Spending	Workers' Compensation	Total
Cash flows from operating activities:				
Received from user charges	\$ 734,858	\$ 812,716	\$ 1,251,101	\$ 2,798,675
Received from other sources	-	1,237	1,981	3,218
Payments to employees for services	(699,629)	(8,367)	(79,540)	(787,536)
Payments to suppliers for goods and services	(74,250)	(747,033)	(931,962)	(1,753,245)
Net cash from operating activities	(39,021)	58,553	241,580	261,112
Cash flows from investing activities:				
Interest received	25,735	3,873	63,504	93,112
Net change in cash and cash equivalents	(13,286)	62,426	305,084	354,224
Cash and investments, beginning	1,153,144	282,759	2,878,351	4,314,254
Cash and investments, ending	\$ 1,139,858	\$ 345,185	\$ 3,183,435	\$ 4,668,478
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	\$ (39,021)	\$ 58,553	\$ 411,177	\$ 430,709
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Changes in assets and liabilities:				
Estimated insurance claims	-	-	(169,597)	(169,597)
Net cash from operating activities	\$ (39,021)	\$ 58,553	\$ 241,580	\$ 261,112

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Grant Number	Federal CFDA Number	Expenditures
U.S. Department of Agriculture:			
Direct Programs:			
Child and Adult Care Food Program		10.558	\$ 293,567
State Administrative Expenses for Child Nutrition		10.560	100
Team Nutrition		10.574	200
Fresh Fruits & Vegetables		10.582	129,726
Passed through State of Kansas Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program		10.553	1,727,802
National School Lunch Program		10.555	4,592,063
Summer Food Service Program for Children		10.559	90,630
Total Child Nutrition Cluster			<u>6,410,495</u>
Total U.S. Department of Agriculture			<u>6,834,088</u>
U.S. Department of Labor:			
Passed through Heartland Works:			
WIOA Cluster:			
Workforce Investment Act	WIOAY-15-02	17.259	220,000
Total U.S. Department of Labor			<u>220,000</u>
U.S. Department of Education:			
Direct Programs:			
Indian Education - Grants to Local Educational Agencies - FY19	S060A180807	84.060	73,209
Arts in Education - FY17	U351D140074-16	84.351	5,182
Arts in Education - FY18	U351D140074-17	84.351	201,113
Total direct funding			<u>279,504</u>
Passed through State of Kansas Department of Education:			
Special Education Cluster (IDEA):			
Special Education		84.027	3,193,474
Special Education Continuous Improvement - FY18	H027A160031	84.027	12,472
Special Education Continuous Improvement - FY19	H027A170031	84.027	113,185
Special Education Preschool Grants		84.173	86,228
Total Special Education Cluster (IDEA)			<u>\$ 3,405,359</u>

(Continued)

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Grant Number	Federal CFDA Number	Expenditures
Noncluster Programs:			
Title I:			
Title 1 - FY17	S010A160016	84.010	\$ 112,697
Title 1 - FY18	S010A170016	84.010	955,998
Title 1 - FY19	S010A180016	84.010	4,445,593
Title I Part D - FY17	S010A160016	84.010	84,979
Title I Part D - FY18	S010A170016	84.010	3,832
Title I Part D - FY19	S010A180016	84.010	61,935
Title I Migrant - Summer - FY18	S011A170016	84.011	12,199
Title I Migrant - FY19	S011A180016	84.011	79,000
Title I Migrant - Summer - FY19	S011A180016	84.011	7,483
Vocational Education - Secondary Program Improvement - FY19	V048A180016	84.048	165,764
Vocational Education - Secondary Program Improvement - Reserve		84.048	85,344
Education for Homeless Children and Youth - FY18	S196A170017	84.196	22,383
Education for Homeless Children and Youth - FY19	S196A180017	84.196	27,238
21st Century Community Learning Centers - FY18	S287C170016	84.287	10,092
21st Century Community Learning Centers - FY19	S287C180016	84.287	56,227
21st Century Community Learning Centers - FY18	S287C170016	84.287	10,790
21st Century Community Learning Centers - FY19	S287C180016	84.287	64,317
Title III - English Language Acquisition - FY18	S365A170016	84.365	20,150
Title III - English Language Acquisition - FY19	S365A180016	84.365	135,559
Mathematics and Science Partnerships	S366B160017	84.366	2,996
Improving Teacher Quality - FY17	S367A160015	84.367	112,124
Improving Teacher Quality - FY18	S367A170015	84.367	146,700
Improving Teacher Quality - FY19	S367A180015	84.367	461,420
School Improvement 1003(a) Grant Program	S377A160017	84.377	511,980
School Improvement 1003(a) Grant Program	S377A160017	84.377	438,240
School Improvement 1003(a) Grant Program		84.377	201,403
School Improvement 1003(a) Grant Program		84.377	18,892
School Improvement 1003(a) Grant Program		84.377	193,823
School Improvement 1003(a) Grant Program		84.377	70,064
Title IV SSAE Program - FY18	S424A170017	84.424	32,394
Title IV SSAE Program - FY19	S424A180017	84.424	132,001
Temporary Emergency Impact Aid for Displaced Students	S938C180026	84.938C	125,500
Total noncluster programs			<u>8,809,117</u>
Total passed through State of Kansas Department of Education			<u>12,214,476</u>
Total U.S. Department of Education			<u>\$ 12,493,980</u>

(Continued)

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Grant Number	Federal CFDA Number	Expenditures
U.S. Department of Health and Human Services:			
Direct Programs:			
Head Start - FY18	07CH010344-03-01	93.600	\$ 685,660
Head Start - FY19	07CH010344-03-03	93.600	1,729,948
Total direct programs			<u>2,415,608</u>
Passed through State of Kansas Department of Education:			
Youth Risk Behavior Survey		93.079	<u>471</u>
Passed through United Way of Greater Topeka:			
TANF Cluster:			
Kansas Preschool Program (KPP)		93.558	<u>221,960</u>
Total TANF Cluster			<u>221,960</u>
Total passed through non-federal entities			<u>222,431</u>
Total U.S. Department of Health and Human Services			<u>2,638,039</u>
Total federal expenditures			<u><u>\$ 22,186,107</u></u>

See accompanying notes to schedule of expenditures
of federal awards.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2019

1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Topeka Public Schools, Unified School District No. 501 (the District) under programs of the federal government for the year ended June 30, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements of the District. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2019

Part I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting: Material weakness identified:	None
Significant deficiencies identified that are not considered to be material weaknesses:	None reported
Noncompliance material to financial statements noted:	None

Federal Awards

Type of auditors' report issued on compliance for major program:	Unmodified
Internal control over major program: Material weaknesses identified:	None
Significant deficiencies identified that are not considered to be material weaknesses:	None reported
Audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a):	None

Identification of major program:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
84.010	Title I

TOPEKA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 501
TOPEKA, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
Auditee qualified as a low-risk auditee?	Yes

Part II – Financial Statement Findings

No matters reported.

Part III – Federal Award Findings and Questioned Costs

No matters reported.



Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Education
Topeka Public Schools
Unified School District No. 501:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Topeka Public Schools, Unified School District No. 501 (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 11, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BT&Co., P.A.

March 11, 2020
Topeka, Kansas



Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL
CONTROL OVER COMPLIANCE**

Board of Education
Topeka Public Schools
Unified School District No. 501:

Report on Compliance for the Major Federal Program

We have audited Topeka Public Schools, Unified School District No. 501's (the District's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2019. The District's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the District's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the District's compliance.

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Opinion on the Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BT&Co., P.A.

March 11, 2020
Topeka, Kansas

Summary Schedule of Prior Audit Findings

There were no findings in the prior year.